FEBRUARY
1935

AMERICAN BUSINESS

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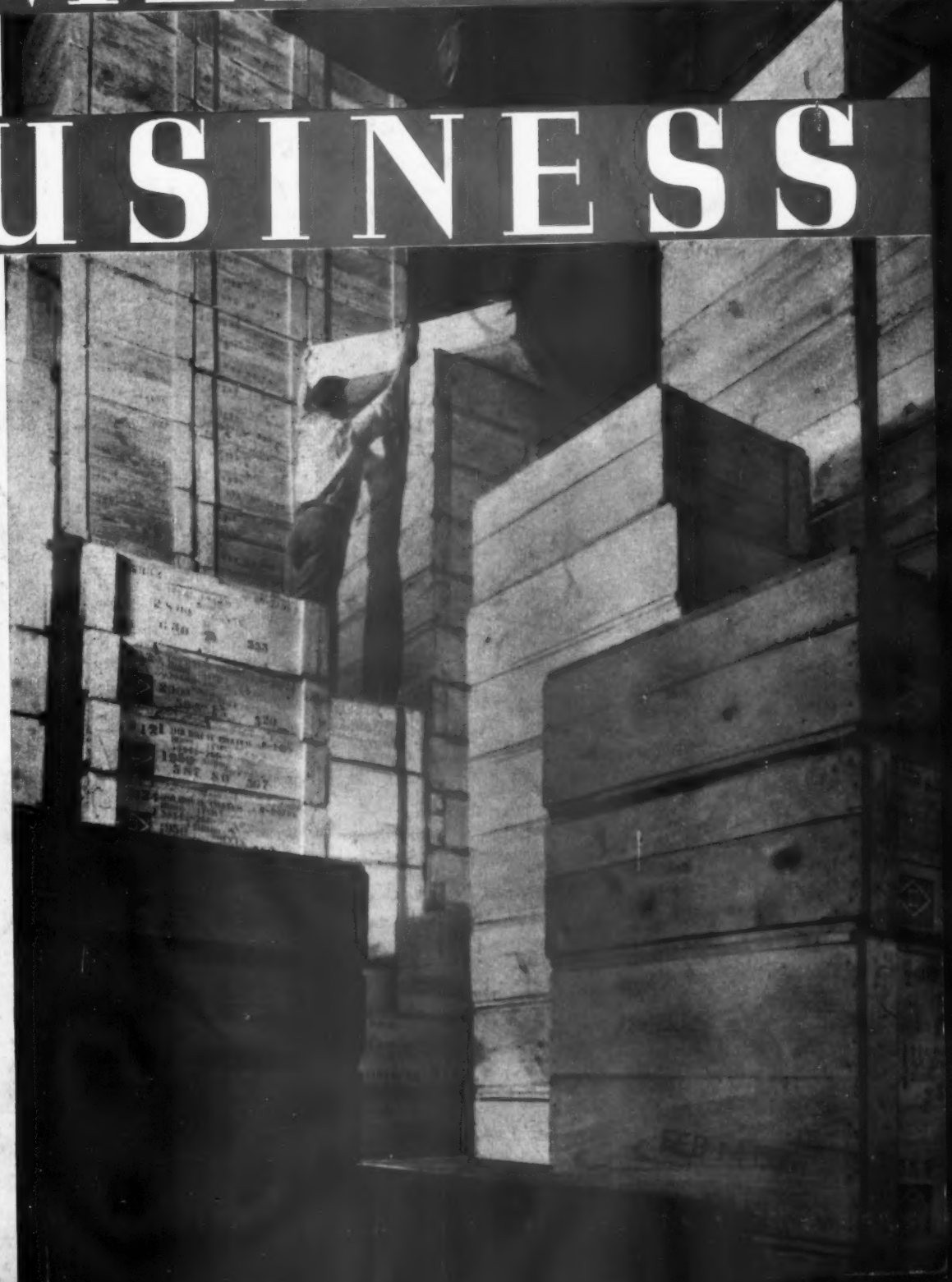

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AMERICAN BUSINESS · *A Dartnell Sales Publication*

VOLUME V · NUMBER 2 · FEBRUARY, 1935

Give Recovery A Boost!

YOU have to take your hat off to the Machinery and Allied Products Institute. After five years of retrenchment and sales inactivity, the machinery manufacturers have grown tired of waiting for the other industries to start buying equipment. They have decided to start buying it themselves!

And well they might, because a survey has just shown that there is a veritable acre of diamonds right in their own backyard. Five hundred MAPI member plants so far surveyed show that obsolete machinery is costing the machinery industry $750,000,000 in wasted power alone. Eighty per cent of the boilers used by the industry are obsolete. In the textile field the use of modern equipment would enable that industry to cut production costs $150,000,000 annually. "We think of America as being built up," said a prominent industrialist the other day. "On the contrary, it is down at the heels. The survival of American producers during the next five or ten years will depend largely upon their wisdom in using the resources of the machinery industry, but the machinery industry itself must safeguard its survival by modernizing its equipment!"

Recovery it seems to me is a good deal like charity—it should begin at home. If the machinery manufacturers have been guilty of not practicing what they preach, so have we all. Show me a business man who has not been waiting for the other fellow to start buying from him, before he buys from the other fellow. I know that we have had marvelous alibis for hanging on to our money. I have used nearly all of them myself. The uncertainty about inflation; the possibilities of high taxes, etc. But I know that, as a business man at the head of a business, it is my job to take conditions as I find them and make a profit for my stockholders. One way is to modernize.

Last year Dartnell spent some $15,000 for new equipment which we could have gotten along without. We put in a multilith department, we replaced several office devices which have become obsolete, we threw out and replaced old type with more modern faces, as for example, the Corvinus type used for heads in this magazine. From a profit standpoint we probably had no business spending that money. But we figured we would be contributing our share to recovery and re-employment. The sum spent was not large, yet if each company subscribing to this magazine would spend $15,000 for new equipment this year, it would represent a volume of $150,000,000. Since every dollar you spend releases nine other dollars it would add $1,500,000,000 to the 1935 national income.

Will you agree to spend at least $15,000 this year for new equipment in your plant and office? I don't mean things you would have to buy anyhow, but for office and plant equipment you could get along without, but which you can use profitably!

Prices are certain to advance as inflation expands. So by modernizing now, you will not only give recovery that much more momentum, but you will be doing yourself a good turn to boot. *J. C. A.*

Published monthly by Dartnell Publications, Inc., 4660 Ravenswood Avenue, Chicago. $2.00 a year. Entered as second class matter July 23, 1934, at the post office at Chicago Ill., under act of March 3, 1879. Volume 5, Number 2

PERHAPS your present letterhead is already produced on an excellent all-rag paper. Or perhaps—for one reason or another—it is produced on an inferior sheet. In either case, see if you don't think this is a fair suggestion:

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WESTON'S BOND

AMERICAN BUSINESS

February 1935

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WHEN A CUSTOMER STARTS TO SLIP . . . A collection of letters and other things which sales executives have found effective to revive sales from backsliding customers and to rekindle their interest. A feature article which will alone be worth the admission price.

●

DEPRECIATION AND THE SELLING PRICE . . . To what extent do unduly heavy depreciation charges restrict your sales volume? Treasury Order No. 4222 has caused a number of companies to change their rates of depreciation—including perhaps your competitors. This article will be based on a survey Dartnell is now making. A fundamental article dealing with the relations of the accounting and sales departments.

●

SPEEDING SUMMER SALES . . . The dog days are just around the corner. With them will come the need for doing something to maintain sales volume. Even the best salesmen "ease off" in summer, and this year looks as though the summer lull will be more pronounced than usual. Various plans used successfully by several medium-sized companies will be described for your consideration.

Member: Audit Bureau of Circulations and the Associated Business Papers, Inc.

Dartnell Publications, Inc., 4660 Ravenswood Avenue, Chicago

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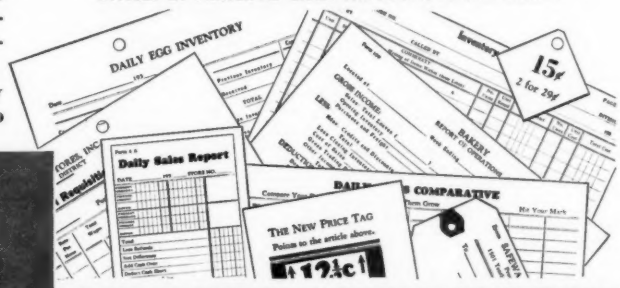

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AMERICAN BUSINESS
February, 1935

INFLATION HEDGES

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What should a business do about investments—costs—prices—loans? This is the second article of a series

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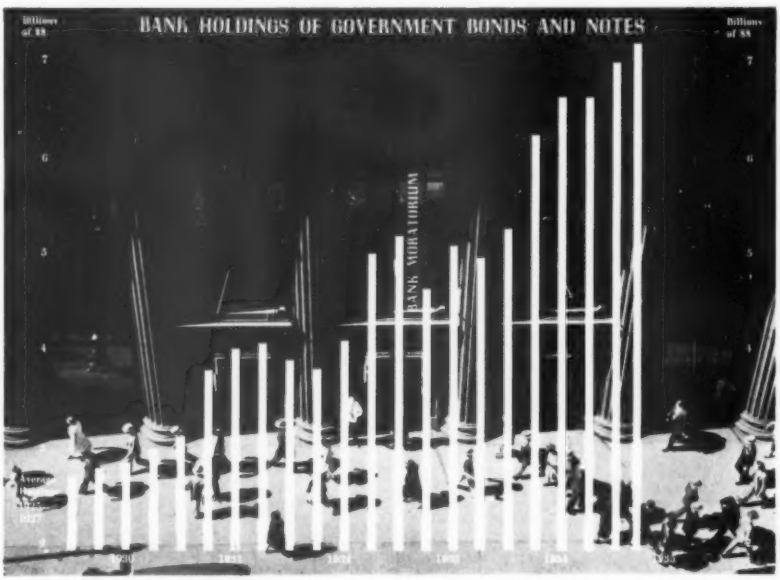
By HARLAND H. ALLEN



THE worst possible "preparation for inflation" is to indulge price and management policies which cause a concern to lose business and to lose its relative position in an industry —in the lean period *before* inflation. In addition to cutting capital costs in "preparation for inflation," it is important to keep credit channels open. In a period of rapidly rising prices, one of the greatest dangers is that of running out of working capital. If new replacement of inventory comes at a price higher than the last, or even higher than that received for finished products, it is imperative to increase working capital fast enough to make up the difference. Here is where we get expansion of bank credit—but it expands only for such corporations as can satisfy the banks. The most convincing arguments for getting fresh working capital at a time like that, is proof that dead capital has been cleaned out beforehand.

Shortening the turnover period in your business is still another important method of guarding against inflation. The shorter the period between purchase and sale, the less prices can rise and crowd profits during that period. Not all types of business can accomplish much here, but those that do get results have certainly increased their prospects for weathering inflation storms. That, by the way, is a good thing to remember about investments for inflation. Pick concerns with short turnover periods, or those in which the price of finished products rises as easily as the raw material.

Inflation may be (a) credit expansion, of the "genus" experienced in 1929—worse or less so; (b) breakdown monetary inflation —the kind which Germany had toward the last—the result of a breakdown of confidence in money; (c) manipulative inflation — in which the intrinsic value of money is changed by law or pressure from the government. Our experience in 1933 was partly of this character, and the inflationary upsurge of February, 1934, was largely so.

Of course, inflation in this country may take on characteristics of all three of the above, but it will help a lot in planning our investment and pricing policies if we recognize which is dominant. If, for instance, bank credit has definitely begun to expand, we may presume that the inflation ahead of us will have many of the characteristics of business recovery, and, therefore, that many business policies which are sound in a recovery period will be practicable then, if held well under control.

We need to recognize that every

inflation which has come in the past has come in waves, with a period of rising prices, and then a setback, before the next advance. This information will keep us from overdoing the matter of forward buying, or from building up too large a finished inventory.

Already the history of the years since 1932 has been a series of such waves. Thus, we have had several short, excited periods in which it seemed that, if raw materials were not stocked then, one might have to pay no-telling-how-much. Yet there are very few raw materials which cannot be bought today much cheaper than in the second quarter of 1933, or the first quarter of 1934.

This does not mean that inflation is not coming, but it means that at least thus far it has been unsound policy to stock materials more than a few months further ahead than in the normal conduct of business. This will continue to be so, undoubtedly, so long as such price upsurges as we have are precipitated by government action, such as arbitrary changes in the value of the dollar, new "liberal" legislation on silver, the passage of a big bonus bill, new processing taxes, or other actions tending to raise the cost of doing business. Such things do not improve the health of business, so there must be setbacks following them, and as yet the dollar has a great deal too much strength in it to keep on declining without interruption.

We need to recognize, too, that it takes a long time for serious price inflation to come, especially in a country with as broad an economic foundation as the United States. It took five years for wild prices to come in Germany, even after that country had been exhausted and defeated in war.

This is very important, because it should keep business men and investors from making a lot of foolish moves comparable to those in superstitious communities where people have been known to close up their shops and go out on a high hill to await the end of the world!

Many investors have been particularly foolish in this respect with regard to inflation, already. Many have sold out perfectly good investments yielding them 5, 6 and even 7 per cent to buy the kind of "commodities" (wheat, gold, etc.) which they thought would save them from the storm of inflation when it came, but on which they will have to pay storage and insurance charges for no telling how many years, and then without certainty that that kind of inflation will come.

I favor hedging against inflation, but I also feel that one should be diversified against varied types of risks at all times. The sound policy now, therefore, would seem to be to throw a little extra emphasis on the inflation side of diversification. It is the same principle as suggested above regarding inventories. Buy a little farther forward, but don't extend your bank credit precariously to buy inventories, and don't let down on the efficiency of your other departments, in order to stock inventories against a day that may be extremely long delayed.

Getting back to investments: It is always wise to have a certain per cent of one's funds invested in (a) natural resource industries; (b) consumer-necessity types of industry, such as foods, shoes and other essentials; (c) industries of the recovery-prosperity type, such as machinery, construction and the heavy industries; (d) some of the basic utilities; (e) something in other parts of the world.

In times like the present, it is certainly wise to emphasize minerals, oils and other natural resource industries somewhat more than in normal times, because the product of these industries is a raw material having world demand. This world demand has two types of safety value in an inflation period: (a) the price will tend to go up as the dollar declines, simply because

How Inflation Has Affected Japan

●

SALES MANAGERS *ask what effect inflation will have on different industries. Japan has had a controlled inflation (without any reform measures, however) for three years. Those industries which have so far benefited are shipping, textiles, mining, brewing, fertilizer, sugar, cement and paper. The industries which seem to have benefited the least are banking, insurance, flour milling, land and building companies. Will the same conditions prevail in America?*

it is a world price, and as this price is translated into dollars of declining value it will naturally rise in the number of dollars represented; (b) this world demand tends to continue, and thus provide a market for such things, no matter how distracting conditions might become in this or any one country.

In times like these, it certainly is wise to put much larger emphasis on investments in industries of the necessity type—particularly in those providing necessities in the low price range. These things must be purchased by all—even by the unemployed on relief—hence the demand for them continues almost regardless of conditions in the country, and the corporations producing them at low cost can continue to make money and probably to pay dividends, at least keep from going into receivership, through a long period in which business volume may be desperately low in other lines. The most successful investment accounts during the last five years have had the majority of their funds invested in such companies. I think it wise to keep at least one-third of them so invested now.

As a further hedge against inflation, the normal amount of investment abroad should be enlarged somewhat, if one has the facilities for locating sound foreign enterprises and keeping up with current information about them. To say that one is unpatriotic who insists on having some of his funds abroad is just about as silly as insisting that one is unpatriotic if he wears imported silks or goes abroad to diversify his education. This is not insisting that "other countries are better than the United States"; if it were, one should conclude that all funds should be sent abroad. It is merely concluding that it is better not to have "all of one's eggs in the same basket," no matter how good the basket. And, when there is some danger of that basket catching fire in inflation, it clearly ought to be more sensible to take the precautions I have suggested.

Good policies of business management, as pointed out in the beginning of this article, during a period which seems trending toward inflation, will resemble good policies in any other period—only more so, and that is as far as we dare to generalize about business policy in inflation. If inflation threats mean that the country is in poor condition—and it does—then it must be true that low prices and low costs are more essential than in a healthier period, in order to continue holding one's share of the general business. It follows that, in order to make headway and growth in such a period, one must concentrate more than ever upon low costs and low prices. That is the fact which too many have missed when centering their attention on fears of inflation prices ahead. Low costs and prices not only help the individual firm in a period of economic weakness and threatened inflation, but if practiced widely the policy becomes the one best method of fighting inflation. I repeat: The most frequent obstacle to getting costs and prices down now—within reach of larger buying power and more business—is heavy capital costs. In the small business these are likely to be mortgages, bond issues or hangover bank loans. In the larger, so-called dominant concerns, they more frequently persist as undeflated book value of plant and equipment. This keeps the book value of capital shares outlandishly large in terms of what they are really worth in the market. It keeps corporations charging against current costs a wholly unnecessary amount of "depreciation, depletion, etc.," and thus makes it seem impossible to reduce prices. Much of these capital values should be written down, as in one courageous reappraisal, if the company is clear-sighted and serious about getting into shape—determined to succeed at whatever level business opportunities may run in the months ahead.

In studying past inflations, we always look to see how fast the banks have been compelled to buy government *(Continued on page 46)*

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Here are some of the measures recommended by Harland Allen, one of the country's leading economists, for guarding against the perils of inflation when, and if, it arrives:

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Increase working capital as rapidly as inventory prices rise

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Shorten your turnover period to avoid getting caught by rising prices

●

Diversify your inventories as well as your investments

●

Concentrate more than ever upon low costs and low prices

The Man Who Never Has Time

●

He's too busy to read, too busy to see salesmen, too busy to create new ideas, too busy to develop better methods—in fact, usually he's even too busy to work

●

By GEORGE DARTNELL

YOU know the man I'm talking about. The chances are you have one right in your office. If he is an executive you can spot him by his desk. It is piled high with all sorts of papers, most of them a month or more old. When you go in to get a decision he is too busy to weigh the facts, so he passes snap judgment. He never sees salesmen; hasn't the time. And as for reading, that is out of the question. He is far too busy to read. Why he hasn't even time to think, that is how busy he is.

If he is a salesman he is always in a hurry. He is in a hurry to get along to the next town; in a hurry to get to the next customer. He is in such a hurry that he doesn't take time to do a thorough selling job. He can never quite figure out why a man who works so hard gets so little business. Talk to him and you get the impression he is paid by the mile rather than by the order.

If he is a clerk in the office he probably spends most of his time rushing about with a handful of papers, going through all sorts of motions, like a squirrel in a cage. He is just about the busiest man in the world, according to his estimate. Ask him to do anything, and he never has time. He hasn't time to read. He hasn't time to think. He is a slave to his job. Ten years from now he will still be a clerk. Ten years from now he will still be complaining how "they" overwork him. He will still be wondering why "hard" work is not appreciated.

Sometimes these men who are always busy really do have a lot to do. Some are even as busy as they think they are, but usually they are victims of their own imagination. They think that by acting busy and thinking busy, they can create an illusion of importance. They talk so much about being busy that before long they begin to feel sorry for themselves. The sorrier they feel the more they talk about it. Soon it becomes a state of mind.

Years ago I used to work for an advertising agency. At the next desk was a chap who thought he was just about the busiest man in the whole world. Every morning he used to pull a drawerful of correspondence folders out of the file and stack them high on his desk. Every night he would put the folders away. When the head of the department asked him to do something distasteful he would point to the stack of "unfinished" correspondence and explain that he did not even have time to keep up with his correspondence. He thought he was impressing the boss with the work he was doing. It took the boss about six weeks to find out the truth and he went out on his ear. These chaps usually do.

What American business needs is more direction and less hustle. Ten years ago, when I visited London for the first time, I smiled in a superior sort of way over the English ways of doing business. I got quite a shock when our London manager served me with four o'clock tea. I was amused at the idea of a fireplace in a business office. It was hard for me to figure out how they ever did any business over there. They got down at the office somewhere between nine and eleven, took two hours for lunch and a half-hour out for afternoon tea. Yet in spite of their leisurely ways, they seemed to get there just the same. I know why now. The average Englishman keeps his eyes on the main chance more than the American. He thinks in terms of essentials. He lays his course and then holds to that course. He does not rush around in circles.

For example, take sales quotas. The English never got very excited about sales quotas. Of course a few of the American concerns over there, such as the National Cash Register Co., used them. But I discussed sales quotas with a good many English sales managers, and their invariable point of view was that nothing good can come of a sales device that puts so much emphasis on getting orders, with little or no consideration to building customers. I do not entirely agree with that point of view. But certainly we Americans have overdone order getting, and underdone customer building. Sales managers now realize this. Only the other day I received a letter from a well-known manufacturer of bathing suits on the Pacific Coast, touching on this very point. He wrote:

"In our present economic cycle there have been many changes necessitated by conditions and during the depression years the quota system has received some severe setbacks. The demands of these times call for a more careful, scientific and necessarily slower but more permanent constructive method of building business. In other words, it does not do any good to meet a

quota just for the sake of meeting it. Increased business comes from more time and care being spent on each account.

"In view of this we have changed our system of sales tasks from the quota system to what we call the potential possibilities of each territory. These we figure out on the basis of purchasing power, *Saturday Evening Post* circulation and other such indicative factors. In other words, we don't give a salesman a quota. We tell him that the sales potential, based on certain definite factors, is such and such for our product and that this sales potential is our ultimate goal which we believe we can reach in time, with the right kind of selling. That gives us the opportunity of basing our drawing accounts on past sales performances and keeps the salesman's mind on the possibilities of his territory rather than on quotas, which, during these times, are very difficult to set and over which he may become unnecessarily discouraged if he fails to meet them."

Another case: I learned the other day of a wholesaler out West who was discontinuing traveling a number of his salesmen in automobiles. He makes them use bus and train transportation instead. It is cheaper to travel the men in automobiles but when they have their own cars they do not spend the time they should with customers.

Of all these varieties of executives with the too-busy complex, probably the most objectionable and least consistent is the man who is "too busy to see salesmen." And it's usually the executive who complains the loudest about the small number of calls his own salesmen make, who is the most inconsiderate about seeing other companies' salesmen. There's a good deal of irony in the picture of a man berating his own sales force because they don't manage to make enough calls, and then either refusing to see the salesmen who call on him or else keeping them waiting an unreasonably long time. And quite often this man wastes as much time looking for the information these salesmen are trying to give him as it would take to see them when they call.

For example, an advertising agent of my acquaintance thinks he knows just about everything there is to know about printing. As a result, he doesn't feel it necessary to see any of the printing salesmen who call on him. He prides himself on knowing more about the various printing processes than they do. A year or so ago one of his clients decided to start a house organ, and entrusted to the agency man the assignment of preparing it. Because of the nature of the client's business, and the class of people he wanted to reach with his house organ, it was planned to use a great many photographs; in fact, the house organ was planned as a tabloid-newspaper style of publication. The press run was unusually large, and when the client received the bill for the first issue he almost had a fit. He asked the advertising agent a little acidly if there wasn't some more economical way of producing it than by letterpress printing on coated enamel paper. He said he thought gravure would be just as effective and, on an illustrated paper with a large run, cheaper.

Well, gravure had never occurred to the agency man. He thought of it only in connection with the rotogravure sections of newspapers, and he spent weeks familiarizing himself with the sheet-fed gravure process. He wasted his own time and the client's money learning about something a dozen salesmen had called to tell him.

But where the too busy habit is especially costly to a business is in the case of executives whose value is in direct proportion to their ability to create new ideas, develop better methods of marketing the product, and keep the business headed in the right direction. Obviously, if these executives insist on doing all sorts of petty tasks they will not have time to read and without a certain amount of reading, how is a business to get the benefit of the experience of others? It has been said with much truth that if you want a thing done, find a busy man to do it.

But that means a man who knows how to organize his time. Too many of us in executive positions spend from two to four hours a day doing nonessential things. We do tasks which could easily, and perhaps better be delegated to others. We waste time in useless conversations about unimportant things with unimportant people. If we reorganize our work so that we would have that time for *planning*—devising ways and means of doing things better—we would be much better off, so would the business. We need to set up in our own minds a definite set of objectives, and concentrate on them.

BEGINNING A BUSINESS
BIOGRAPHY BY EUGENE WHITMORE

•

Here is the leader of a revolution—a bloodless revolution that has nevertheless overthrown some of the most powerful individuals and institutions in the grocery trade—a revolution that owes its success to the resourcefulness of one man

•

GRIMES of the I. G. A.

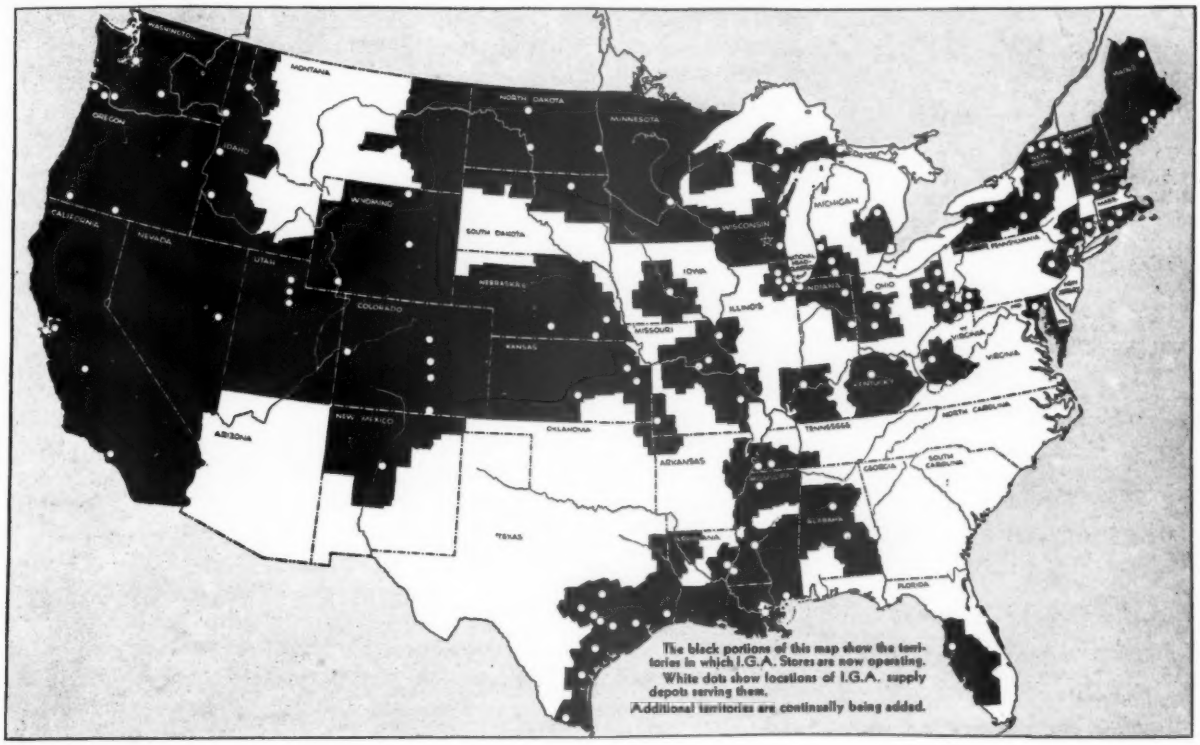
•

J. FRANK GRIMES *and (below) an illustration of the merchandising ideas he has introduced into IGA grocery stores to enable them to compete with the chains*

FROM 1920 to 1925 there was scarcely a convention of advertising men, sales managers, wholesale grocers or retailers without some orator warning the assembled multitudes that something must be done to save the independent grocer. It was a favorite subject for speechmakers. It was almost as good a space filler for writers of business paper editorials.

While the air was being filled with the speeches of enthusiastic individuals *talking* about saving the retailer, the corporate chains were putting retailers out of business so fast that the grocery wholesalers were beginning to fold up for lack of customers.

As their business shrank, the wholesalers, with a few notable exceptions, simply talked about the "fundamental soundness of wholesaling." No wholesale grocer convention was complete without at least one impassioned speech telling the wholesalers what a wonderful service they were performing for distribution. The more the wholesalers reassured themselves,



the more the chain-store promoters must have laughed. For the chains were growing as they had never grown before.

Plenty of people had plans for saving the retail grocers. Even a few wholesalers had plans. Most of the wholesalers saw the problem purely as a price proposition. They saw chains selling groceries at retail at prices, in some instances, lower than the wholesalers could buy the same merchandise. They thought if they could get these low prices, pass them on to retailers, they could scotch the growth of the chains.

Other wholesalers thought it was a matter of cleaning up the retail stores. While many a wholesaler wallowed in obsolete methods, he preached to his retailers to modernize stores, advertise, buy new fixtures, paint up fronts and to wear a nice bright smile for every customer.

Still other "experts" thought that the salvation of the independent grocer could be achieved by inducing millions of women to "phone for food." Thus a nation-wide scheme designed to teach women to buy food over the telephone was staged by well-meaning wholesalers. It was a failure and soon forgotten.

Radio orators started plans to save the retailer that ended in selling food in direct competition with the retailers they started out to save. Other groups fostered legislation, tried vainly to legislate the profit out of chain-store operations.

While all of the schemes and plans were being tried, usually at the expense of the retail grocer, one man was hard at work studying the grocery business from the inside, digging deeper into its problems than almost anyone else. That man was J. Frank Grimes, then a partner in the accounting and auditing firm of Wm. W. Thompson & Company, which specialized in auditing for wholesale grocers.

Grimes saw that many of the independent grocer's troubles were beyond the retailers' immediate control. He saw that the wholesalers were as much, or more, at fault than the retailers. From his studies resulting from auditing hundreds of wholesale grocery operations, Grimes decided that all of the plans offered to save retail grocers, while possessing some good points, stopped short of the fundamental needs of the retailers.

He agreed that stores ought to be rearranged and cleaned up. He agreed that advertising would probably help. He agreed that prices should be lowered where possible. But he saw clearly, what few others saw—that none of these plans alone were enough, that the retailer couldn't be saved unless the wholesaler operated with greater efficiency, and less cost.

Grimes found the average wholesale grocery salesman calling on 105 customers, selling these customers an average of $44 a month, or selling a gross volume of approximately $4,400 monthly. He found wholesalers with double the stocks which could be profitably carried on the volume of business they were doing. He found wholesalers with constantly decreasing sales, and increasing costs. He found wholesalers whose entire effort and thought were directed

Ten Years Ago

Grocery Wholesalers Were:

- *Floundering in a sea of red ink, talking price, and wondering what would happen to them if the chain stores continued to put retail grocers out of business;*
- *Struggling under loads of uneconomic stocks, high overhead, trying to find a way to lower prices by demanding concessions from manufacturers;*
- *Doing little if anything to help retailers buy economically, improve selling methods, and reduce losses from bad debts;*
- *Suffering from sales costs that were too high because of too small volume per salesman; because their salesmen could sell only a few dollars per month per customer;*
- *Whistling to keep up their courage, yet wondering what would happen to their business, meanwhile doing practically nothing to improve their methods.*

toward getting lower prices from manufacturers, then dissipating those savings in inefficient operation.

Turning to the retailer he found an equally hopeless situation. The struggling retailer, harassed by customers telling him that the chain prices were lower, was extremely price conscious. He thought that his salvation lay in being able to buy cheaper. He didn't realize that he had enough stock for two stores piled up in one store. He didn't realize that he had two clerks selling no more than one ought to sell. He was losing heavily from poor credit extension methods, paying too much rent, spreading his effort over too many different brands of similar merchandise.

Grimes had a splendid background. He knew food. From 1900 to 1903 he had been an Armour department manager, learning how the packers turned their investment rapidly. He had been sales manager for Baker-Vawter Company, the loose-leaf manufacturers (now part of Remington-Rand), and he had been a partner in the Wm. W. Thompson organization, specializing in wholesale grocery auditing. From his studies and zeal to help perpetuate independent business he developed what came to be known as the Grimes plan. There will doubtless be many others to claim that they originated the plan of operating that was originally the Grimes plan, and out of which has developed the Independent Grocers' Alliance, an organization of more than 5,000 retail stores, and approximately 100 wholesale grocers, welded together into what is now said to be the second largest food distributing organization in the world.

As most everyone knows IGA is doubtless the biggest of the so-called voluntary chains. But there are others, dozens and dozens of them, all varying in detail of operation, with many varying details of service to the wholesaler, retailer and consumer. Some are fostered by wholesale grocers, others are mutual organizations of retailers and wholesalers, and a few are little more than promotions, primarily designed to extract fees or sell stock to retailers. Grimes is trying to invent or find a name that more accurately describes IGA than calling it a voluntary chain.

It isn't the purpose of this story to attempt to decide who was the daddy of the so-called volunteer chains, but it is evident that the Grimes plan was the granddaddy of the revolution that has taken place in retail and wholesale grocery merchandising. The Grimes plan was revolutionary. It called for a new conception of independent grocery retailing and wholesaling.

Some of its fundamentals were: (1) Smaller stocks; (2) faster turnover; (3) greater volume per salesmen, both retail and wholesale; (4) a drastic reduction in both retail and wholesale overhead costs; (5) a bigger sales volume per customer by wholesalers; (6) fewer accounts for wholesale salesmen, and (7) a definite merchandising plan for retailers, actively supervised by the wholesaler through his salesmen and service employees.

When baldly stated in broad generalities as in the preceding paragraph, any business man would agree that there was nothing new or particularly revolutionary about the plan. Every business man strives for greater sales per salesman, bigger volume per customer, lower overhead. But what made the Grimes plan revolutionary was the detailed method of operation he prescribed for both wholesalers and retailers.

Wholesalers putting in the Grimes plan found that it called for an entirely new set-up. Many an old-time grocery sales manager found himself so out of step with the plan that he was out of a job. Instead of more calls per salesman, the Grimes plan meant fewer calls per salesman. Instead of trying to sell every little corner grocery a handful of groceries as often as possible, the Grimes plan demanded concentration on strong retailers willing and able to revise their

methods as thoroughly as the wholesalers revised their methods.

The traditional conception of grocery distribution was upset by the Grimes plan. It is not surprising that few wholesalers made a success at it. Then came the immediate ancestors of the IGA stores, which were called the Red Arrow stores. This group, a small number of grocers in New York State, was not successful in operating the Grimes plan. Others tried it and for one reason or another failed. Then in 1926 a small group of independent grocers, desperately determined to preserve individual opportunity in grocery retailing, formed the first unit of IGA stores in Poughkeepsie, New York.

This group fostered and cultivated the seed of success. From it grew some of the present IGA fundamentals of operation, which have since brought together more than 5,000 retailers and 120 wholesalers in what is now known as the Independent Grocers' Alliance of America. Although there have been several reorganizations, J. Frank Grimes is still the active and undisputed head of the organization, working at top speed on his grocery plans, meanwhile laying plans and promoting experiments for an alliance, on similar lines, of retail and wholesale druggists, as well as other retailers.

Grimes is sincere in his belief that the IGA methods are the only salvation for the independent merchants in nearly every line. He can talk for hours on this subject, which is, to him, much more than a business, or a method of distribution. It is not exaggerating to say that "saving the independent retailer" is a religion, a passion and a life crusade to Mr. Grimes. His associates point out that he is repeatedly lending money, offering personal aid to independents in various lines. Independent retailing to him is as worthy as prohibition was to William Jennings Bryan, or the fourteen points to Woodrow Wilson.

He is a convincing speaker and when he goes before his wholesalers and begins to explain one of the IGA drives on certain foods, or begins to talk on independent grocery merchandising, it is quickly evident that here is a man expounding a deep personal philosophy. Failure to understand this motivating spirit in the Grimes character means inevitably to underestimate his power for leadership and for holding together a vast group of cantankerous wholesalers and retailers, whose very independence of thought and action once brought them close to annihilation.

Grimes believes that many of the country's ills are directly traceable to the price tactics of the chain stores. He thinks, and has said in public meetings, that the price-battering of chains was responsible to a large degree for the decline in the prices of farm products which brought farmer-purchasing power to almost an all-time low level between 1930-1933 before prices started upwards again. He conceives the chain store to be an unmitigated evil, an enemy of the local communities which support them, a bear influence on wage levels and a downright burden to the working classes.

To read his speeches on this subject, to hear him explain that in 1932 chains paid out only 6.8 per cent of gross sales for labor costs, as compared with 13.2 for labor costs in independent grocery stores, one might jump to the conclusion that Grimes is just another fanatic whose emotions have run away with him. But he is nothing of the kind. However emotional he may become in behalf of the independent, Grimes is too intelligent to think for a moment that the problem of saving retailers can be solved by working up a lather of emotion against the chains. His whole effort is to improve the operating ability of both wholesalers and retailers.

Here is what Grimes visions as the grocery store of the future: A complete food market, handling fruits and vegetables, fresh meats, and a full line of rapidly moving groceries. A one-stop store where a housewife may *(Continued on page 46)*

Today

Dry Goods, Hardware, Drug, Automotive Wholesalers Are:

●

Still looking to the manufacturers for lower prices, trying to force manufacturers to sell them at prices equal to prices charged for bigger quantities bought by chains, syndicates and mail-order houses;

●

Learning little from the experience of the grocery wholesalers who found the answer to chain competition by reducing overhead, buying and selling in larger quantities, and modernizing retail methods;

●

Selling in consumer quantities to retailers instead of teaching retailers to concentrate sales effort on fewer lines and permit larger quantity orders which command lower prices;

●

Making almost all of the same mistakes in tackling the chain competition made earlier by the grocery wholesalers.

●

Putting all the blame on retailers instead of shouldering some of it themselves

"WHO *is Hal Hasty? You're gazing right at him*"

The Good Old Days

•

Proving that even an old dog like Hal Hasty, salesman extraordinary, can learn a new trick or two when necessary

•

ALLAN R. BARKLEY

HELLO there, cutie. How's the public stenography and notary public business this morning? Not so good, eh? . . . Me fresh? Now don't get me wrong, cutie. That's just my native charm and good nature asserting itself. Me and you are going to get along fine . . . Say, you haven't been around here long, have you? . . . I didn't think so. You couldn't stick around this hotel very much and not know Hal Hasty . . . Who is Hal Hasty? Who is he, did I hear you ask? Why my dear little girl, prepare for one of the big moments of your life. You're gazing right at him this very instant . . . Yes, I do say so. Hal Hasty in the flesh. Not a talking picture. Not a news reel. Not a radio broadcast. But a personal appearance; yes sir, a personal appearance . . . That's right, I am a hasty worker, at that. But just call me Hal—special ambassador and minister plenipotentiary of the Collegiate Clothing Company, Chicago . . . Well, traveling salesman to you, then, cutie. You aren't a farmer's daughter, by any chance? . . . That's too bad, but never mind; you can't all be farmers' daughters. What is your name, anyway? . . . No, your first name . . . Lillian, eh? Well, Lillian, now that we've been properly introduced you might as well hang out a Please-Do-Not-Disturb sign, because I've got a lot of important letters to dictate this morning. . . .

Are you all set? . . . O. K. First we'll write to George K. Marshbrook. George is vice president of the Collegiate Clothing Company, and just between me and you, Lillian, a big pain in the neck. He's another guy that's well named—Marshbrook—all wet—do you get it? . . . He just joined our outfit a couple of months ago and already he's trying to tell me how to handle my trade. Well, we'll just lay down the law to that big stuffed shirt. Start out. . . .

"Dear Mr. Marshbrook: I am in receipt of your communication of January 15 with regard to the new quota plan for 1935. I am also in receipt of the various report forms you want me to fill out and return to you. I beg to state that up to the present time I have been unable to fill out these reports, and it is very doubtful whether I will ever be able to fill them out or not. . . ."

Read that over to me, will you, Lillian? . . . I guess that's telling him, eh, kid? Hm-m-m. Let's see, what'll I say next? All right. . . .

"In the first place, the quota that you gave me for this territory just don't add up. I can't make heads or tails out of the figures you sent me that are supposed to show the buying power and sales expectancy—whatever that is—and market possibilities and all that guff about this territory. They're a nice looking bunch of figures, all set down in nice straight rows, but they don't make any sense whatever. I suppose you think that some punk in an advertising agency knows more about my trade than me, who's been calling on it for fourteen years. I know how many suits and overcoats these merchants can sell, and I been selling them all they can handle, and don't let anybody tell you different.

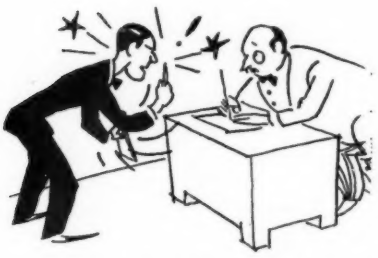
"Take Jake Schroeder, just for example. A couple of days ago I called on Jake—he runs the biggest clothing store in Fresh Water—and I puts it up to Jake cold. 'Jake,' I says, 'I got some figures here that show you ought to be selling just three and a half times as many suits and overcoats as you sold last year.'

"I AM *in receipt of your communication of January* 15 *with regard to the new quota plan*"

"Jake looked at me like he thought I was crazy, but I goes on to show him your chart of how much the people in his county ought to be spending for clothes according to the national averages or whatever you call it. And I winds up by saying, 'So I'm just putting you down for three and a half times as big an order for spring merchandise as you got last year.' I thought he would have a hemorrhage. Well, to make a short story

long, I harangued Jake about half an hour, and it ended up by him cutting down his order to half the size of last year. That's the good your new quota plan has done me. And all I got to say is, if it's going to take almost twice as much business this year for me to make the same money I made last year, then you better count me out."

How'm I doing, Lillian? That



"WELL, *to make a short story long, I harangued Jake about half an hour . . .*"

ought to make 'em sit up and take notice, huh? . . . But I'm not through yet. I'll tell this mug what's what. . . .

"Now about this new report system you're putting into effect. Let me remind you again, Mr. Marshbrook, that I been covering this territory for fourteen years, and I been doing it without sending in reports every night about everybody I've seen and everything I said and did. To me, this new Call Report, and Itemized Expense Account, and Time Analysis Chart, and Merchants Credit Report, as you call them, are just so much hay. Why, if I took time to fill out all those reports, I wouldn't have time to do anything else, and am I an accountant or am I a salesman? Besides, it looks to me like the company was just trying to check up on me. If that's the idea why don't you hire a detective? When I was turning in so much business back in 1927 and 1928 nobody paid any attention to how many calls I made or what I spent my expense money for, and if you expect me to do that much business this year you're going at it the wrong way. All these newfangled ideas may go over big with a lot of young punks just starting in the game, but to an old-timer like me they're nothing but baloney, anyway you slice it. . . ."

Do you think I'm getting too tough with him, Lillian? I don't want to make him feel bad. But this is the last time they'll try to slip anything over on Hal Hasty, I bet you . . . Wait till they get a load of this. . . .

"In the last year or so I've had plenty of chances to go with other firms, don't forget, and if you want me to snap up one of these offers, just keep on the way you've been going. Collegiate's loss will be somebody else's gain. I'm spending the rest of the week here at the Missouri Hotel in St. Louis, so wire me at once what you want me to do. Cordially yours . . ."

Is that laying down the law, Lillian, or is it laying down the law? Wait a minute . . . put in this post script. . . .

"Yesterday I had lunch with the assistant buyer over at Moransky's. I've been trying to land that account for years, and the assistant buyer tells me it's in the bag. Of course, if I go with some other house, that account—along with a lot of others—will go with me. Regards. . . ."

All right, Lillian, write this letter to Sam Freeman, sales manager, at Sports Suits, Inc., Chicago. . . .

"Dear Sam: A couple of months ago, you remember, I spoke to you about the possibility of leaving Collegiate. Well, it begins to look as if I might do it, and I knew you'd want to know about it. I got a lot of other irons in the fire, Sam, but if you wire me your best offer right away I might be able to consider it. You know, Sam, that I got a lot of accounts you'd like to have buttoned up in my vest pocket, and I also got the Moransky account here in St. Louis ready to fall right in my lap. Wire me at the Missouri Hotel in St. Louis."

Now let's drop a nice scented note to Mr. Milton Jones, assistant buyer over at Moransky's . . . I been entertaining that bird every time I been in St. Louis for the last ten years, and it's about time I began cashing in on it . . . He's got an awful thirst, that boy has. . . .

"Dear Milt: You asked me yesterday to write you full particulars of our proposition and to enclose a copy of our franchise. Since talking with you, certain things have come up that prevented me from getting our franchise ready to submit to you and the head of your department, but this will confirm our oral agreement and I will have a complete plan ready to present before the end of the week. In the meantime, I will appreciate anything you can do to arrange an appointment with your superiors for tomorrow or the day after. Cordially yours . . ."

Well, that's all for today, Lillian . . . I'll be in and see you again tomorrow after the fireworks start and the wires start to come in.

●

Well, Lillian, my girl, here we are again. And how's the typewriter running today? . . . It better be. Give it a good shot of oil, because what I've got to say may burn out a bearing . . . We'll write to George K. Marshbrook first.

"I HAD *lunch with Moransky's assistant buyer*"

He's the one that's vice president of the Collegiate Clothing Company, and I'm all washed up with that guy . . . Yeah, I'm going to leave 'em flat on their backs . . . Listen to what I tell him. . . .

"Dear Mr. Marshbrook:" No—wait a minute, Lillian, just make it . . . "Dear Sir: Your night letter just received. If that is the way you feel about it, then you may consider this letter as my formal resignation. As I tried to make clear in my previous letter, I do not consider myself an order clerk to be imposed upon to the extent of writing reports covering my every movement. Neither do I relish the thought of being spied upon so far as my calls and expense accounts are concerned. The quota you have given me I consider unfair and a reflection on the record I have made in the past. When I think of the years I have spent building up your reputation in this territory, and then consider the ingratitude you are showing, I cannot say that I leave your employ with any feeling of deep regret. The time will undoubtedly come when you will ask me to reconsider this decision, but I would advise you to save yourself the trouble. It will do you no good. Respectfully yours . . ." No—change that to plain "Yours truly," Lillian.

I guess maybe that won't burn them up, huh, Lillian? Well, it serves them right. The idea of expecting me to turn in a report of every call I make and itemize every bottle of liquor I buy a customer on the expense account . . . Well, we'll consider that a closed incident in my life . . . Take this letter to Sam Freeman at Sports Suits, Inc.

"Dear Sam: I expected that you'd wire me right away, so I wasn't surprised. It isn't every day, I guess, that you get a chance to hire a man who knows a territory as well as I know this one. Well, I'll do you a lot of good, Sam, and you'll always remember the day you took me on. You didn't say anything about salary or when you want me to start to work. In fact, you didn't give me any definite facts at all, but I'm sure you'll do the right thing, Sam. I know you haven't been very well represented out here, and this is your chance to go places. I don't quite get what you mean by asking why I'm so sure of the Moransky account. Of course, I'm sure of it, Sam, or I wouldn't have mentioned it. I've been working on an assistant buyer over there by the name of Milton Jones for years. He's next to the top man in the men's clothing department, and he's got it all lined up for me. Well, I'll get in touch with you when I get to Chicago the last of the week, Sam. We'll run the poor old Collegiate Clothing Company out of gas, eh, boy?"

Now let's write another letter to Milt Jones at Moransky's, Lillian, and that'll be another hard day's work done. . . .

"Dear Milt: I haven't been able to reach you over the phone, but I just want to let you know that I'm making a change in my connections, so don't do anything further about taking on the new line until you get in touch with me. I'm still at the Missouri and will be here all week. I know I can depend on you to get me in over there whether I'm handling Collegiate or something else. I'll drop in to see you tomorrow."

O. K., Lillian. That's all for this time. See you again in a day or two.

●

Hello yourself . . . Yeah, I been pretty busy the last couple of days . . . Well, come on, Lillian, let's get down to business and never mind the comedy. Take this letter to Sam Freeman, Sports Suits, Inc., Chicago.

"Dear Freeman:" . . . No, never mind the "Dear" . . . just start it out, "Mr. Freeman: Well, you lousy, double-crossing polecat, I suppose you think you've slipped over a fast one. Let me tell you, you big fakir, that you haven't heard the last of this thing yet. You think that you can get that lousy line of yours in at Moransky's by hiring Milt Jones to go to work for you, do you? You think it's pretty smart to give me the run-around this way too, I suppose. Well, just remember that he who laughs best laughs last. I'm not surprised at you pulling a stunt like this, but I didn't think Milt Jones would fall for it. However, you never can tell, but when I tell Moransky's a thing or two about that guy he won't find himself in so strong with them any more either. But what's the use wasting time writing to a bird like you? You'd swindle your aging grandmother out of her last nickel—probably you've already done it."

That's all for him. Now write to George K. Marshbrook at the Collegiate Clothing Company again. Start it . . .

"Dear George: Well, old man, I don't suppose you expected to hear from Hal Hasty again so soon, but we all make mistakes and I'm the first to admit it. I'm enclosing my call reports and expense account for the last two weeks, and I'm hard at work now on the credit ratings for the merchants in my territory. I've still got some local credit bureaus to get in touch with, but I'll get all the dope to you just as quickly as possible. When this new system first came up, I didn't entirely agree with all your reasons for putting it into effect, but after thinking it over I see your viewpoint and understand perfectly why it's to the best interests of the house.

"The more I study the quota plan, the better it looks to me, and you can count on me, chief, to do my part to put it over.

"The Moransky situation has clouded up a bit. The only way they could get the account away from me was to hire Moransky's assistant buyer, and you might know that Sports Suits, Inc., would be the only outfit dirty enough to pull a low-down stunt like that, but I'll get them yet, chief, you can depend on that. . . ."

Say listen, Lillian, what's the matter with you? . . . Oh, you're laughing, are you? . . . Well, I'll be hanged if I see anything to laugh at. . . .

Grass That Looks Greener

● At the beginning of 1934 a well-known, but medium-sized company determined to break previous records in opening new accounts. At first thought, a laudable enterprise.

● The record, when achieved, didn't look so well on the profit and loss ledgers. Salesmen devoted 25 per cent of their time during 1934 to opening approximately 1,000 new accounts.

● The average new-account order was $50. Fifty times one thousand totals up to $50,000 in new business.

● On the books, at the beginning of 1934, were 20,000 old accounts. If the salesmen had devoted 25 per cent of their time to selling an average of $50 additional to each of those 20,000 old customers the sales increase would have been $1,000,000.

● This year the company has set out to add $1,000,000 in sales by increasing the average annual purchases of each customer by $50. Not an impossible task. If it is accomplished the company will be in a much stronger strategic position at the end of 1935 than it was at the end of 1934.

● Every company must plan to add a reasonable number of new accounts each year to replace the inevitable lost, strayed or stolen old accounts. But to fight for new business to the point of neglecting old, established customers is poor strategy in these days of high selling costs.

● Instead of trespassing on competitive accounts, the big job in 1935 will be to increase sales to old customers. The best way to do this is to develop ways and means to make your goods more profitable to purchasers, and to educate your salesmen to make themselves more useful to present customers. *E. W.*

A New Deal for the Dealer

•

A 1935 check list of merchandising and advertising activities for those companies which sell through retailers

•

SALES managers well know that the largest proportion of retail orders comes from a relatively few dealers. An analysis of sales made by six of the largest companies in the electrical appliance field, for example, shows that 3.7 per cent of the industry's total number of dealers made 50.7 per cent of the sales; that 5,600 *good* dealers made 80 per cent of the electrical refrigerator sales, while 52,300 dealers accounted for only 20 per cent of the volume sold.

The same condition exists in nearly every field. It is a real problem, perhaps the biggest problem in merchandising today.

What can be done about it? Obviously, the answer is, "Make more good dealers." And the first step is to recognize that the average dealer is just as much your salesman as the man who represents you on the firing line. Budgetary provision should be made for building up these dealers, just as provision should be made for building up the tail-enders in a sales organization. Indeed, many companies which have been forced to suspend dealer educational activities during the depression have this year allocated a liberal portion of their sales promotional appropriation for that very purpose.

One company has set up an educational budget based on $10 a dealer. Another in a line where the turnover in dealer accounts is high, will spend $2.00 a dealer. Most of this money will be spent for some sales training program, and is aside and distinct from the advertising appropriation to which the expense of store advertising is charged. Another manufacturer in the textile field has developed a sales training program but he

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☐ *What Are You Doing to Increase Store Traffic?*

In order for your dealers to do a better selling job for you they need the greatest possible number of possible buyers coming into their stores. Are you passing along to dealers ideas for stunts that can be used to increase store traffic? How about giving them a monthly "store traffic" contest idea? Or some publicity stunt they could put over without much effort? Do your salesmen help dealers to arrange their stores to attract more people? How do you know they do? Do you suggest departments related to yours which dealers may add to bring in more buyers?

☐ *Are You Doing Anything to Help Dealers Train Clerks?*

Indifferent salesmanship at the point of the sale costs you many times those taxes you are complaining about. Do you encourage your salesmen to organize clerks' clubs in the various stores in their territory? Do you offer an award of honor or prizes for clerks who do a particularly constructive selling job? Do you furnish sales training literature about your products for clerks to read? Is such literature illustrated so that even the clerk who "hasn't time to read" can get the story from the pictures? Do you feature sales points on the back of display cards?

☐ *Have You Developed a Simple Inventory Control System?*

Haphazard buying is one reason so few of your dealers are in the upper layer. Give them a simple plan for keeping tab on what they sell and what they need. A peg board system might be devised, like that used by the Regal Shoe Company. But don't expect your dealers to be bookkeepers. Most inventory systems are too complicated for practical use. One manufacturer has increased his sales many fold by using a pocket label on his box, the pocket carrying a tag replacement card which the dealer mails back to his source of supply.

☐ *Does Your Credit Policy Build Up or Tear Down Dealers?*

No doubt you pride yourself upon your credit liberality. But how many of your dealers are losing business because they do not carry adequate sizes, numbers or styles of your products? How much more could you sell to those dealers if you helped them to finance a more adequate stock? You might not want to do this with all dealers, but where a merchant has demonstrated his capability and is entitled to special credit consideration, it might be wise to lend him a helping hand. He will appreciate it and show his appreciation by giving your line more attention.

☐ *Do You Help Dealers to Buy Sales Making Equipment?*

Perhaps you are selling a product which needs more display in the dealer's store. Anything you can do, in that case, to get your product off the shelf and onto the counter is good business. Do you make it easy for dealers to buy equipment needed for such displays? Do you suggest to them that they buy tables and fixtures for better displaying your products? Do you give them the advantage of your thousand-lot price or do you aim to make a profit on fixture sales? Do you give them information about how to use these tables and fixtures to best advantage?

☐ *Is Your Advertising Material Up to Snuff?*

Don't jump at conclusions. Because you think it is good does not mean that dealers like it. One-half of the advertising furnished to dealers is wasted. There are well-known reasons for this waste. You owe it to yourself to have some independent agency check your dealers to find out just exactly what is being done with the dealer helps you send them. One good way to cut down this waste is to require the dealer to pay part of the cost. But if you do that, consider paying salesmen the same commission on advertising literature that you pay them on other items.

☐ *Do You Take a Personal Interest in a Dealer's Success?*

Of course you do, but does the dealer know it? What system do you use to have the purchase figures of dealers who are doing a real job for you brought to your attention? Do you make it a point to write these dealers occasionally and let them know the president of the company is interested in them as well as the salesman who calls on them more or less regularly? Appreciation is a little thing, but it will do wonders, especially in cases of merchants who are working their heads off for very small compensation to build up a business for you as well as for themselves.

requires the wholesaler to stand a share of the cost, and is putting on the local jobber the burden of getting dealer acceptance.

The foregoing check list has been compiled by the Dartnell staff to enable those selling through dealers, and especially those who are concerned with making better customers out of what might be called "Class B" dealers, to round out their dealer stimulation program for 1935:

A great many companies are awake to the need of doing everything possible for their dealers, and pride themselves on their far-sighted dealer development policies. But in too many cases the dealer development work begins and ends with some sort of house organ written by a bright young man in the advertising department who never worked behind a counter in his life, let alone run a retail business. But he tries to tell others how to be successful in business. That is why so few dealers take house organs seriously. House organs or loose-leaf merchandising bulletins are an excellent medium for developing dealers, but they have to be *obviously* practical.

In the last few years many companies, particularly wholesalers, have inaugurated dealer service departments. Some of these are doing a real job in developing dealers. It is, however, a mistake to believe that a job of this magnitude can be done by merely sending out an occasional piece of printed matter. The effort must go deeper. There should be laboratory stores where new sales ideas can be tested and perfected. There should be a definite three-year program. Salesmen should be put into the picture and impressed with the importance of such work to them. Their support is essential. There should be a

training course, if only a periodical mimeographed bulletin, for clerks giving them the salient selling points. There should be a monthly inspirational magazine or newspaper skilfully edited to make dealers dissatisfied with old methods and receptive to the new ideas you are suggesting. And last but not least, there must be personal cooperation, based on a personal study of each dealer's problems, by some competent executive in the business, preferably a sales-minded credit manager.

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Is Retailing the Neck of the Bottle?

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By HARRY G. MOOCK, *Vice President*
Plymouth Motor Corporation

I WAS at one time engaged as sales counselor. I worked through a bank. One day a man came to me and said, "I have been over to the bank and I have a sales problem. I am a miller. My firm has been in business more than one hundred years. We have salesmen that have been with us over forty years; we make a meritorious product, well equipped and financially strong. For years we have been making flour, each night six carloads of barreled flour have left the mill.

"In the years gone by we had no difficulty in disposing of our product. Overnight the picture changes. No longer can we sell carloads of barreled flour, we must sell packaged flour. Mr. Moock, how do you sell a pound of flour at retail? What am I going to do?"

What was the problem of that individual? Not any different than that of many other manufacturers and wholesalers—it was one of retailing; he didn't know the retail problem. Here was a completely established business with every phase of creating, buying and manufacturing experience after one hundred years stopped because it didn't know one thing about retailing. You will admit the miller had a problem.

The question is, are goods really sold when they reach the retailer? Some regard it as being final; only in the last thirty days an executive of a manufacturing company was saying, "I am in a terrible jam with my associates on that point; they think after they have made the goods and shipped them, it is no longer their problem, and I say no goods are sold until the consumer buys them."

If goods pass through the channel of distribution and hesitate or stop on the retailer's floor, whose problem is it? It's a mutual problem, it can't be otherwise. We can't say it is up to the dealer or merchant. If the seller falls down on the job at the point of contact with the consumer on the sale, it causes a jerk on the line of production; should it happen often enough, it will stop production.

We must be sure the retail contact is equal to bringing the sale to a close as quickly and efficiently as possible. There are two kinds of retailers. Those that know how and those that do not. We have proved that 76 per cent of the business done in the retail stores is brought to the retailer's door through the power of advertising. If that business stops there, then it becomes a problem of all concerned with keeping the channel of distribution open. That's the point I'm interested in particularly. So at that point it becomes a real problem for anyone who has goods to sell. What do we know about it?

Those that don't know how are in the majority, I am sorry to say. A man told me yesterday, "Oh some of these people that come into this automobile show are dumb!" Sure, they are dumb, that's why we hire salesmen to enlighten them. If they were not, we would hire messenger boys to deliver. We need men to illustrate and explain, to sell and get the orders. A great many retailers have the impression that if they join an association that's the answer. It isn't, not any more than the man who joins a church becomes a Christian or the man who joins a country club becomes a gentleman.

The knowledge starts from within. Associations have done a great job; they are a means not the end. We recognize that goods are not sold until they are in the consumer's possession and are giving satisfactory service. A short time ago Mr. Chrysler emphatically said, "Anybody that buys our automobiles has got to have satisfaction." Goods are sold only when they remain sold. We are not trying to be charitable, we are trying to keep our factories running. We recognize there are various blockades in the channels of distribution and it is our job to keep them open.

We do this through various means. We have men who are trained technicians, whose specific job is to help retailers in the movement of automobiles; for example, in addition to having a large trained force *(Continued on page 50)*

Rochester Public Library
54 Court

SMALL ORDERS

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Do They Pay or Do They Cost More Than They Are Worth?

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How Can They Be Stepped Up in Size?

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Is There a Better Way to Handle Them?

(Photo by Eugene Whitmore)

AN OLD story told by Saunders Norvell serves to illustrate and point up the problem of small orders. Norvell, before he became president of McKesson and Robbins and later of Remington Arms, was a hardware salesman. He went into a territory where the previous salesman had permitted his customers to buy in one-third-dozen lots, even though merchandise was packed half-dozen to a box.

One merchant was a particular devotee of the third-of-a-dozen school. Norvell finally kidded him out of it by saying, "Now that you bought a nice line of goods for your family use, suppose you buy something for the store!"

To judge from the way thousands of retailers and some wholesalers buy it *would* seem that they are buying for family use. Such buying, it is needless to say, has reached proportions where it can't be laughed off. It seriously cuts into the profits of everyone concerned, even hurting the very retailers who are the most flagrant, "Send me a third-dozen" buyers.

From the buyers' side of the fence—and that's the side we must consider first—small orders are a definite brake on sales. It is trite to say that no retailer can sell goods he doesn't stock, but the triteness only emphasizes the truth. Buying in consumer quantities hampers the retailer in several ways, not the least of which are:

1. Increased handling charges. It costs a dealer practically as much to order, unpack, check, price and stock a third-dozen as it does a dozen, or even a half-gross.

2. It encourages careless buying and haphazard selling. Half a dozen, half a carton or half a case of merchandise often is pushed off to an inconspicuous place in the store where shoppers can't see it, where salespeople forget it. A merchant with the consumer-quantity complex clutters his stock with a thousand odds and ends, individually unimportant, but collectively a burden on inventory.

3. It increases the cost of doing business to the point where the manufacturer must penalize the small buyer, who thus suffers in comparison with the bigger buyer who obtains preferential prices.

4. Small-order buying dissipates retail sales effort; scatters it over a vast assortment of items, whereas real sales effort should be concentrated on large quantities of merchandise of known sales possibilities.

5. Small-order buying creates a stock condition in which a constant shortage of various items prevails, causing a frequent loss of sales

which could have been made had a reasonable quantity been ordered.

Careful study of the plans adopted by many manufacturers for solving the small-order problem shows that most manufacturers look at it entirely from their own side of the fence. In explaining the reasons for higher charges for small quantities the average manufacturer says, "It costs *us* more to handle these small orders." "*We* lose money on small shipments." "*We* can't afford to break original packages." The better way to explain these higher charges for small orders would be to put the dealer's interest first and explain why *he* loses money on small orders. He isn't particularly interested in the manufacturer's troubles.

Here is a typical attempt of a well-known manufacturer of high-grade scientific instruments to solve the small-order problem. In his line there are a number of standard sellers which are ordered in reasonably large quantities by wholesalers and retailers. Along with these rapid sellers there are other items, running into bigger figures, and for which there is, of course, a limited market. When wholesalers sell one of these items in the higher brackets they order "one-twelfth-dozen," regardless of the fact that the price list plainly says the items are packed three in a box. This company put a penalty on such buying by adding a 10 per cent handling charge on all such orders. Wholesalers raised a terrific rumpus. They just wouldn't pay it. Or at least many of them wouldn't pay it. Invoice after invoice was returned with complaints and refusals to pay this handling charge.

The charge was reasonable. It was thoroughly justified from every standpoint of good business. But that made little difference to the majority of wholesalers. How another manufacturer handled the same problem is seen from the following letter from an automotive equipment manufacturer, who says: "We have tried the idea of a penalty for broken packages but have not been able to make it work with our jobbers. They are automotive, and our product is automotive cable of various types and description, some wound on 100-foot spools, some made up into ignition cable sets in cartons, and some made up into battery cable assemblies. Other items include harnesses, portable hand lamps and so forth.

"We have not found it possible to establish quantities on our various items, or even quantities per classification, at a differential in price over the price applying to smaller quantities.

"However, for more than a year we have been operating successfully on a basis by which we allow our jobbers a 5 per cent quantity discount on orders totaling $100 net or more for single shipment to one destination.

"We have explained carefully to our wholesalers the reasons for it and that it is based upon the fact that it is less expensive for us to put up one $100 shipment to go to one destination packed the cheapest way, than to handle an additional number of smaller orders and that, while we don't know just how much is saved, we are willing to gamble that it is worth 5 per cent to us and we have had hardly any jobbers criticise the plan.

"We have several different classifications for wholesalers which, in a measure, take care of differentials in prices applying to various quantities—these classifications being based upon the ability of the wholesaler or semi-wholesaler to function as such in the community he serves.

"Therefore, we have retail prices, we have single-lot dealer prices, quantity-lot dealer prices, service station contract prices, local jobber contract prices, wholesale distributor contract prices—the latter are regular jobber prices except that the wholesale distributor obtains his requirements from a larger jobber whom we call a contract jobber or warehouse jobber. Our set-up with the contract jobber or warehouse jobber is such as to compensate him for serving the requirements of the smaller jobber we call a wholesale distributor.

"With this sort of set-up, those accounts which deal with us directly, namely contract jobbers and warehouse jobbers, are in position to make most of their purchases from us in $100 shipments.

"We still receive many orders

THE *salesman who apologizes for his package shipments, or who explains the point of the house rather than from the create antagonism. A better plan is to and then allow discounts on the larger*

less than that, but the tendency is to approach the point where nearly all of them will buy in $100 shipments as they find ways and means to place themselves in position to take advantage of the quantity discount without impairing their service to their customers.

"The manufacturer who charges

a wholesaler 10 per cent additional when certain articles are ordered in less than dozen lots, or in broken packages, puts this charge to him in the nature of a 10 per cent penalty. I think he is bound to get complaints that he wouldn't get if his prices were set up on a basis of single lots (broken packages) with a 10 per cent discount if purchased in full packages—the one is a penalty and the other is an additional reward or profit for buying in the full-package lot."

(Courtesy, The Miami Valley Coated Paper Co.)

company's extra charge for broken- reasons for the charge from the stand- standpoint of the customer, is bound to make the single-lot price the base price, quantities, as explained in this article

How serious the small-order problem has become is shown from the following tabulation furnished us by one manufacturer who found $100 to be an average invoice for 1928. On that basis the following figures prevailed as the average order in later years: 1929, 82.6; 1930, 71.7; 1931, 68.5. In 1932 the figure took a sudden drop to 52.2. The average order held its own in 1933 when the year's average (49.4) was only a few points below the 1932 figure. The 1934 figures haven't been completely compiled but it is estimated that the figure for 1934 will approximate 61.9, an encouraging rise, but still serious when compared with the 100 average for 1928. It shows how, through the lowering of prices and the small-quantity orders, the average size of orders has dropped to the point where drastic reduction of overhead was necessary to realize any profit whatever from the average order.

Briefly here are some of the remedies tried by various manufacturers in attempts to make the small order profitable, or at least make it pay its own way.

1. A small-order shipping department, stocked with complete, but small stocks, and special equipment for packing and shipping small quantities.

2. Varying discounts, beginning with 3 per cent on orders of $24 and over, 5 per cent on orders of $48 and over, 10 per cent on orders of $100 and above. This latter 10 per cent discount was discontinued when it was found that too many dealers were ordering this quantity to obtain the discount, then taking their own sweet time in paying the invoice.

3. A 10 per cent penalty on broken lot shipments. This plan is frequently a failure and is difficult to enforce. It is particularly difficult when competitive manufacturers do not inflict a similar penalty.

4. A flat charge of $2.00 for broken package shipment.

Apparently the most successful plan reported by a number of manufacturers is to establish a single-unit price, then offer discounts for shipments of full packages, such as dozens, two dozens, half grosses or grosses. The paper industry has long enforced a reasonable system for discouraging small orders. Most paper companies quote prices based entirely on quantity, the basic price being on reams, then gradually scaling down if the customer orders a ton, 5,000 pounds, 10,000 pounds or 36,000 pounds. There is, of course, an extra charge for broken reams, some companies starting their prices at broken reams.

Several hosiery companies try to enforce a rule of accepting no orders for less than five dozen pair, but few of them hold their regular customers to this rule, permitting them to order fill-in assortments in almost any quantity desired.

In deciding on steps to encourage larger orders, the first is to determine the "paper work" cost of handling an order. Few salesmen realize all the steps required in the average office for handling an order. If they did they could easily understand that it may cost from $2.00 to $10 in paper work alone before the shipment lands on the express company's truck at the shipping platform.

Having determined a fair average "paper work cost," with overhead added, begin a campaign to educate salesmen in the art of selling full-package orders. If possible figure each salesman's percentage of broken-lot shipments, or at least his percentage of orders below a certain amount. Show the salesmen how this scourge of small orders makes it a "scalding necessity," as General Johnson would say, that some steps be taken to increase the percentage of genuinely profitable orders. It may be worth while to segregate the habitual offenders from customers who buy in reasonable quantities and require salesmen to undertake special work on these customers who have formed the habit of buying in consumer quantities. Some manufacturers have found these habitual offenders to be the chief cause of small-order losses. When they are corrected or eliminated the problem disappears. *(Continued on page 57)*

NEW DEAL LABOR POLICIES:

Their Relation to Sales Planning

(International)

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The coming months carry the threat of important strikes by organized labor in the metal trades and textile industries—how serious is this threat?

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The same reasons that caused the government to withhold support of monopolistic trade practices will induce it to withhold support of monopolistic labor ambitions

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ONE of the indeterminable factors in the recovery picture is labor. What is it going to do? The situation in Detroit is loaded with dynamite. There are strikes and rumors of strikes. The possibilities of sharply advancing living costs are bound to add fuel to this now slow-burning fire. It is a situation that every business executive must watch closely, for it not merely affects recovery, but widespread labor unrest can set to naught the best laid plans for business expansion.

If the labor situation were one which depended alone on the ability of individual manufacturers to keep their workers satisfied, the problem would be relatively simple. But we have in Washington a frankly pro-labor government. The present administration is seeking to effect a more widespread distribution of the profits of industry, by strengthening labor's hand. It is doing this, not only by openly sponsoring higher wages, but by shortening the working week and the number of working years in a lifetime, and by various social reforms. Many liberal-minded business men are supporting these measures, on the principle that a greater distribution of income is essential to the continued growth of our present industrial order. Others feel that such policies tend to throw still further out of balance our finely adjusted industrial machinery and foster far-reaching labor disturbances at a very critical time. Still others persist in the belief that the interests of capital and labor are diametrically opposed, and that self-preservation is the first law of nature.

The storm center of much of the existing labor unrest is, of course, the famous section 7a of the National Industrial Recovery Act. It has been aptly said in connection with the possibilities of recovery in this country that, "As 7a goes, so goes the nation." Something will have to be done about it, one way or the other. But what will be done? Labor knows exactly what it wants done. What does business want?

It is not enough to muddle through as we have been doing, for according to the National Industrial Recovery Board, as set forth by its chairman, S. Clay Williams, the whole issue of ruthless price competition, blamed by many for the depth of the depression, is tied up in the government's labor policy. It is the contention of this board that if a floor can be put under wages, which after all comprise the biggest element in costs, most of the so-called unfair competition can be curbed without having to resort to price-fixing agreements, or disturbing in any way the normal functioning of the anti-trust laws. So what the government does regarding its labor policy has a very definite relation to sales. It affects the future of the codes quite as much as it affects the future buying power of the masses.

In order to determine what business desires from government, so far as its attitude toward labor is concerned—and when we speak of labor, we are speaking of all workers and not alone of the 10 per cent

comprising the American Federation of Labor—we asked 12,000 manufacturers of average size to record their opinions in a nation-wide poll. Based upon the returns thus far received from this poll, the preponderance of opinion is that section 7a should be clarified in any revision that is made of NIRA by Congress in June. The question was: "Should section 7a be continued, changed or abolished?" Of the total number answering this question 40.4 per cent wanted it abolished; 32.1 per cent thought that it ought to be changed so that it is more definite and specific, and 5.7 per cent voted to continue it as it stood in the present law. The remaining 21.8 per cent were undecided.

Following the theory of Mr. William's NRA committee, that unfair trade provisions in the codes might be largely eliminated if minimum hours and wages were established for all labor, skilled as well as unskilled, business men were asked: "Should minimum wage provisions be extended to include skilled labor or should they be abolished?" Fifty-two and four tenths favored abolishing minimum wages of all kinds; 14.7 per cent voted against, and 57.7 per cent voted for, extending wage fixing to the skilled trades which in most industries constitute the largest portion of labor costs.

In order to do this, of course, it would be necessary to set up labor boards, under federal supervision, to establish equitable wage scales. It would also be necessary to agree upon a schedule of differentials to apply to various sized communities and different sections of the country, and finally such wage scales would have to be enforced. Until this is done, it will not be feasible to depend upon wage control to eliminate below-cost and other cut-throat competition. A surprisingly large number of business men looked with favor upon wage control as the most practical method of price control. Many, however, agreed with General Johnson that to make the method more effective

The Dartnell Government-in-Business Poll

Q: In Revising NRA What Should Be Done in Connection with the Following Programs?

	Yes	No	Changed	Doubtful
	%	%	%	%
Should Present Restriction of Working Hours Be Continued?	45.6	33.3	.....	21.1
Should Section 7a Be Continued?	5.7	40.4	32.1	21.8
Should Minimum Wage Provisions Be Abolished?	52.4	22.3	.....	25.3
Should Minimum Wages Be Extended to Include Skilled Labor?	57.7	14.7	.....	27.6

Q: What Is Your Opinion of the Following Government Labor Policies?

	Yes	No	Doubtful
	%	%	%
Should National Labor Board Be Abolished?	61.5	30.8	7.7
Do You Believe Federal Limitation of Work Is Justified?	48.1	50.0	1.9
Do You Think Shorter Week Would Increase Buying Power?	7.7	91.0	1.2
Do You Think Shorter Week Would Increase Unemployment?	91.7	4.5	3.8

Q: If You Believe Work Hours Should Be Limited, What Period Do You Favor?

Working Week of 30 Hours	.9%
Working Week of 36 Hours	6.9%
Working Week of 40 Hours	54.8%
Working Week of 44 Hours	16.5%
Working Week of 48 Hours	20.9%

impartial labor boards had to be set up. This is not true of most boards at this time. In fact, a number of men frankly said they had no confidence in arbitration of wage disputes by the present labor boards, which they held were prejudiced in favor of labor and did not give sufficient weight to the competitive nature of one industry with another.

On the question of hours there was little or no support for the 30-hour week proposed by the American Federation of Labor. Four questions were asked:

1. Do you think a 30-hour week would increase buying power? Ninety-one per cent of those answering the question said "No."

2. Do you think it would increase prices to a point where consumption would be curtailed and unemployment deepened? Eighty-six and five tenths of those replying said "Yes."

3. Do you think it would prevent manufacturers competing in world markets? Ninety-one and seven tenths per cent thought it would.

4. Do you believe that any federal limitation of hours of work is justified? Fifty per cent answered "No." Forty-eight and one tenth per cent answered "Yes."

Questioned as to what they considered the most practical working week, fair to both employer and employee, the majority favored the 40-hour week. The breakdown of the vote being as follows:

In favor of 30-hour week .9%
In favor of 36-hour week 6.9%
In favor of 40-hour week 54.8%
In favor of 44-hour week 16.5%
In favor of 48-hour week 20.9%

Fear was expressed by a number of business men that while the shorter working week might work out very well during a period of depressed business, it would disrupt industry during a period of normal business through a shortage of skilled labor. Typical of this viewpoint are the comments of the president of a screw manufacturing company in New England: "An industry will not work more hours than its business requires. When it has business it should be allowed to use its own judgment as to hours. The employees want more hours. In normal times we cannot get enough skilled men to take care of our business working 40 hours a week."

Another New Englander, the vice president of a velvet manufacturing plant held the same view: "We are adjusting ourselves to the 40-hour schedule; let it stay there. What is frankly bad in this limitation is the lack of flexibility for seasonable industries. It hits both labor and employer and labor really the most. The 40-hour period should be based on an average for six months."

Many business men answering the question—"What are your views concerning the labor policies of the federal government?"—took the position that they were un-American in that they tended to deprive a man of liberty of action. Typical of that viewpoint is the following comment from a manufacturer in the clothing business in Dubuque, Iowa:

"I believe that every working man should have the right to bargain for his own wage and the right to strike without molestation from either a majority or a minority of his fellow workers. The rights of individuals and of a majority against coercion by a minority should be established by the government."

It is to be expected that many emphasized the desirability, from the employers' standpoint, of requiring labor unions to incorporate so that they can be held responsible for violation of contracts. But on the whole most employers seemed to recognize that a more liberal labor sentiment was needed, and that recognition had to be given *(Continued on page 48)*

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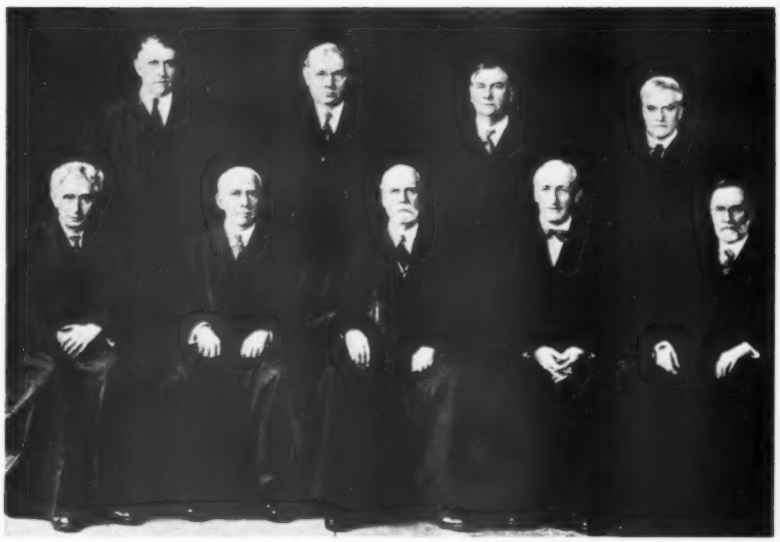
An Idea for Handling Inquiries

THE USUAL PROCEDURE *in answering inquiries is to write a dictated letter, and then follow it up with a form letter. Try reversing the process. Send first a multigraphed form letter which goes into detail answering the questions commonly asked by inquirers. Follow it up in ten days with a dictated letter answering more fully any special question. This letter bears down for the order. By the time the dictated letter arrives the prospect is more receptive to closing. The "excuse" for the letter is that it takes up in detail some point about the inquiry which the writer declares wasn't adequately covered in the first letter. One subscriber who used this plan reports that he increased the ratio of sales to inquiries nearly 20 per cent, and at the same time speeded up the handling of inquiries*

ENTER THE SUPREME COURT

"Hot oil" decision held Magna Charta of industrial freedom . . . New phase of New Deal aims to break big business down into small units to decentralize economic power

By ROY W. JOHNSON



(International)

THE decision by the United States Supreme Court in the "hot oil" case is of much deeper significance to independent business men than has commonly been recognized. It amounts to a Supreme Court guaranty against the regimentation of American industry. It implies very clearly that officials of the various federal bureaus cannot acquire arbitrary and stifling powers over industries and individual initiative. Brookmire very aptly calls the decision "a Magna Charta of industrial freedom." As such it affects every business big and little, and substantiates what AMERICAN BUSINESS has consistently contended, that Congress is incapable under our Constitution of conferring confiscatory powers upon any bureau, either governmental or otherwise.

This evidence that the courts are still on the job will be reassuring to many who have been alarmed over the apparent unwillingness of the administration to submit its theories to constitutional tests. The Supreme Court, it is evident, has not abdicated, and the rumors of packing the bench with new justices of an allegedly "liberal" complexion can safely be dismissed to the limbo from whence they originated.

The decision in the oil case, furthermore, is of considerable significance to independent business generally, even though it dealt with a specific delegation of authority under specific circumstances. Perhaps it is true that it does not directly affect NRA codes in general, but it does clearly establish a doctrine (or better, reaffirm a doctrine) which will be applied to them if necessary. It can and quite probably will be taken as a warning that the federal courts will not sustain code authorities, or the dominant groups within industries, in relying upon any general or blanket delegation of power over individuals.

In many respects the worst feature of code government under the NRA has been the lack of any precise definition or limitation of the authority that it has been sought to exercise. Congress delegated undefined powers to the President, who in turn delegated some or all of them to a subordinate administrative bureau. The latter made further vague and often informal delegations to groups of business men organized as code authorities, and these groups made still further delegations to their own executive officers. The power over individual initiative which was vast and vague in the beginning, simply percolated downward through successive substrata of subordinate authorities, becoming less clearly defined all the time, and hence the more arbitrary and irresponsible. The result, as Walter Lippmann has pointed out, is "that men can be fined or sent to jail for violating rules which have in reality been enacted by the dominant members of a trade association." Too frequently, the exercise of individual rights has come to depend upon one's ability to make a satisfactory dicker with his competitors.

Such a result was probably inevitable, since nobody from the President on down the scale knew

exactly how much power he really possessed, or where it terminated.

The Supreme Court's decision in the oil case, however, is as already stated a sufficient warning that such loose delegations of undefined authority will be regarded with high disfavor, to say the least of it. The delegation of authority by Congress is in itself not questioned; the opinion citing a long list of cases in which the right of Congress to delegate power to the executive (or to commissions) has been upheld. In fact, as Chief Justice Hughes points out, such delegations are unavoidable under the complex economic conditions with which governments must deal today. Congress, if it sat in perpetuity, could not possibly work out to the last detail the rules and regulations to govern such matters. "We should have," as the opinion declares, "the anomaly of a legislative power which in many circumstances calling for its exertion would be but a futility."

The court does not deny the validity of delegations of power. It does insist, however, that any power that may be delegated must be safeguarded by the establishment of policies and standards which will prevent the President or anybody else from acting arbitrarily or irresponsibly, or from issuing orders which do not clearly and precisely state the authority and the facts upon which they are based. "There are limits of delegation which there is no constitutional authority to transcend," says the opinion, and the court leaves no doubt of the fact that those limits are reached when the power that is delegated is not sharply limited and defined.

All of which may perhaps seem abstract or even academic when expressed in the austere and guarded language of the court. The principle involved is very far from academic, however, in the specific instance of an individual who happens to fall foul of a majority which forms its own estimate of the power delegated to it. It is a matter of the highest practical importance that the courts should reaffirm the doctrine that the rights of individuals must be clearly defined: that the individual not only has rights, but that he also has the right to know what his rights are, granting that they may be restricted in the public interest or for the general welfare of a specific industry.

The "gold clause" cases are still undecided as this issue of AMERICAN BUSINESS goes to press. There is considerable significance, however, in the fact that the court did not yield to the pressure brought to bear by the Attorney General and in the newspapers for a compromise with expediency, and a prompt decision in advance of an opinion. Whatever may be said of other branches of the government, the Supreme Court has still retained its dignity and responsibility.

Either way the decision goes, there will be a clear and reasoned discussion of the fundamental principles involved which will dispel the clouds of uncertainty. Most of the apprehension aroused by the predictions of "chaos" to follow a decision adverse to the government, and in support of the validity of contracts, has been dispelled by sober second thought. Such a decision would merely require Congress to restore the former gold parity of the dollar, which, as Colonel Ayres of the Cleveland Trust Company among other recognized authorities has pointed out, would probably have a notably favorable effect in restoring business confidence. Such was the effect of the final defeat of greenbackism in the 70's, and of the free silver propaganda in 1896.

The fears of a dislocating effect upon the commodity and wholesale price structure are probably exaggerated, and may very largely be discounted. The original departure from the gold standard was made on the theory that the price structure could be regulated by this method, and the results so far as domestic prices are concerned are extremely problematical. That the restoration of the gold parity would disturb or dislocate domestic prices any more violently than the original departure from the old standard did is hardly to be expected.

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Tugwell's New Attack on the Profit System

PROFESSOR TUGWELL'S recent speech in which he declared that the American people "want production they can use and are not particularly worried whether or not there are profits," is likely to upset business just as it was beginning to feel that the attacks on the profit system were about over. It is all very confusing to the head of a business who is trying his best to get his super-cautious directors to appropriate the money needed to step out after business. With Tugwell saying one thing, Roper another, and Wallace another, what should a poor business man do?

There is an old maxim of the theologians which I think might very well be adopted by business men today, and applied in practice to the present situation. I don't know its origin, but it probably can be traced to some intensely practical saint like Augustine. It runs about like this: "Never let the things that you do not understand perplex you about the things you do."

(Continued on page 47)

Central Shoe's Customer-First SELLING POLICIES

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Every dollar the company spends for advertising or promotion relates to some specific dealer activity

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By EUGENE WHITMORE

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MASTER JOSEPH D. DOAKES, age ten, who lives near Casper, Wyoming, is listening to a radio program, "The Adventures of Robin Hood and His Merry Men in Sherwood Forest." Just when he is breathless with excitement he is told by the announcer that he may obtain free of charge a genuine Robin Hood bow and arrow set if he will write his name and address on a Robin Hood or Gold Standard shoe box, and mail it to the radio station.

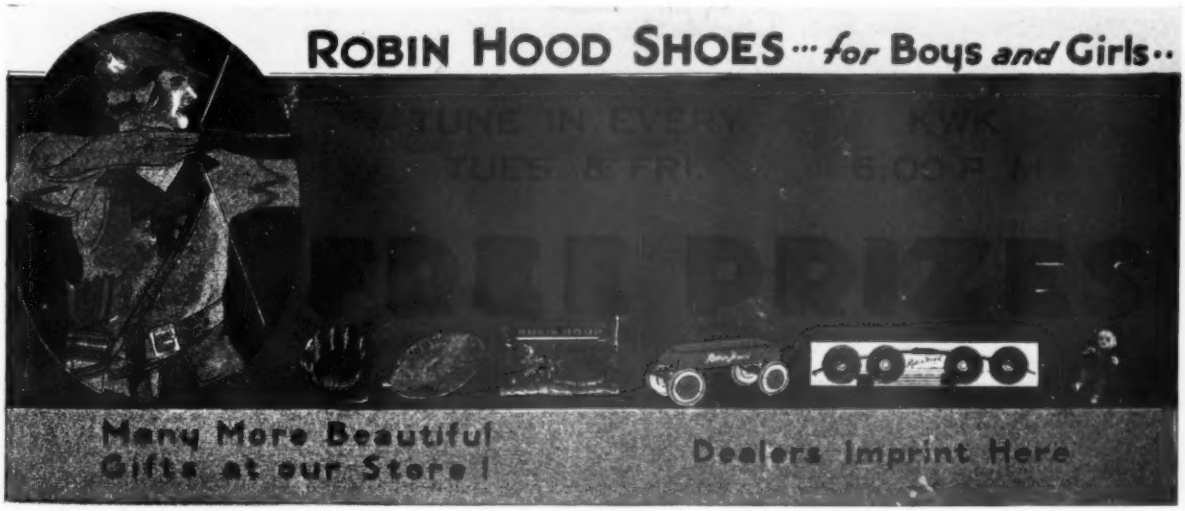
Master Joe gets busy, inducing a parent, brother, sister, uncle or aunt to buy a pair of shoes from the Central dealer so that he may have the box to trade for a bow and arrow set. Once in possession of the box he rushes it, with his name and address to the station. The following day a Western Union messenger delivers the bow and arrow set to the happy young Doakes.

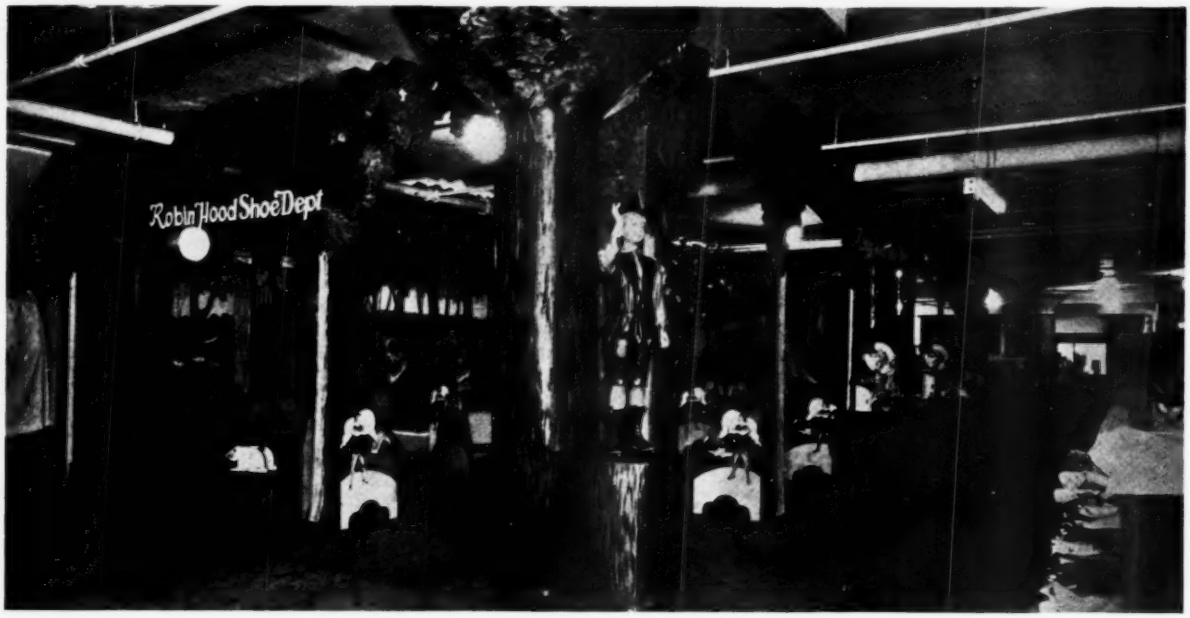
There may or may not be a Master Joe Doakes of Casper, Wyoming. If there isn't there are thousands of other boys and girls who have listened to Central Shoe Company's Robin Hood broadcasts and immediately started a campaign to sell a pair of Central shoes to some relative or friend. Once the bow and arrow set is delivered Joe receives word that many other prizes are available for him if he will induce other friends and relatives to buy Central shoes from the dealer whose name is mentioned in every Robin Hood broadcast.

He visits the dealer who sells Central Shoes and sees a vast array of items dear to his childish heart and receives a supply of cards to give to his friends. When any of these friends buy a pair of Central shoes from the dealer he is credited with so many points toward a prize. You can imagine the fervor of his effort until he earns the prize he wants.

This is but part of the Central sales plan which paints the dealer well up front in all Central's sales and advertising activities. It is but a part of the merchandising program that has helped build Central Shoe Company's sales to the point where it is within hailing distance of several much older and more widely known general line shoe companies. Central is one of the youngest of the general line shoe companies. In a few years its shipments have grown and grown until several general line companies twice or three times its age now look upon

THE *24-sheet poster reproduced below illustrates how tightly the Central Shoe Company ties together all the ends of its advertising program, and how closely they are all attached to the dealer. The poster features the spot broadcasts in the dealer's community, the prize plan developed for his store, and the imprint of the store itself*





Central as the fastest growing of all the general line shoe companies. This growth has taken place in a period when the trend has been away from the general line manufacturer to the specialty shoe manufacturer. In this same period several once widely known general line shoe companies have liquidated or been forced out of business.

To go back to the radio broadcasting program. In every town where Central has a preferred dealer these fifteen-minute spot broadcasts are going on the air, featuring the name of the dealer. Before the broadcasts start Central ships a supply of the bow and arrow sets to the radio station, arranges for Western Union messengers to deliver them. The company also furnishes the dealer with advertising material and registration cards so that every boy who visits the store to see the display of prizes may have a supply of cards to hand out to his friends and relatives. When they buy Central shoes from the dealer they request that the boy receive credit for their purchase.

Central sells the dealer a display board with actual samples of such childish delights as watches, fountain pens, footballs. The dealer probably posts twenty-four-sheet posters advertising the prize plan and the Robin Hood broadcasts. He may buy from Central all the equipment for a Robin Hood shoe department, which is a reproduction of Sherwood Forest, with lifelike trees and everything. This department costs the dealer $175. It gives him a store within a store, equal to many of the big department store children's departments.

Concerning the broadcasts and the prize plan, here's what a Detroit dealer says, "I have one thousand Robin Hood Club members. Ninety-eight per cent of them have made purchases and 25 per cent have sent people in to buy shoes." A Columbus, Georgia, dealer says, "Our children's sales quota was $1,100 last month. We sold $1,587, exceeding our sales quota by $487."

We have described the Robin Hood sales activity in considerable detail to show how Central features the dealer in all sales activities. Central plans to go a step further than the average shoe company in planning the details of every preferred dealer's sales program. There's almost no general advertising. Every dollar Central spends for advertising and sales promotion must be tied to some dealer or group of dealers.

Most all the general line shoe companies, and many other manufacturers, furnish dealers with a newspaper mat service and a circular service. Central does both, but ties them in with all the dealer's sales activities by means of a Monthly Merchandising Calendar, which suggests a definite sales or advertising activity for every day of the month. This calendar, with a box of suggestions for every day, is sent to dealers well in advance of the month for which the suggestions apply. Here are some typical excerpts from the November, 1934, calendar:

"Thursday, November 1. Cash in on the festive spirit—the social season, the football season, the holiday season . . . all are in full swing. Order Central's Circular No. 108 on Thanksgiving Shoes. Also Folder No. 141 on Aktivator Shoes for all the family."

On November 13 the instructions are, "Mail Folder No. 141 on Aktivator Shoes for all the family." On November 19 the dealer is reminded to mail Folder No. 108, which he was reminded to order on November 1. On November 23 he is reminded to run Advertisement No. G783 on Thanksgiving Shoes. On November 30 he is urged to begin making plans for Christmas

LEFT, *boys and girls buy their Robin Hood shoes in specially designed departments such as this one, which occupies a prominent place at Feibleman's, New Orleans*

RIGHT, *another Robin Hood children's shoe department, fashioned to represent the famous Sherwood Forest of classical allusion. This one is in the Frank and Seder store, Detroit*

BELOW, *a Robin Hood window display of the Frank and Seder store, calling attention to the new Sherwood Forest and inviting children in for free souvenirs*

promotion. Thus every Central sales promotion piece is dovetailed into the program for a given time, when it will be most effective.

With each merchandising calendar is mailed the mat service and proofs of all the circulars offered for the same month. With the calendar, proofs of the circulars and the newspaper advertisements before him the dealer can plan and order all the material for a month's promotion in a few minutes.

Next comes Central's attempt to improve retail shoe selling. Realizing that the shoe clerk is a highly important cog in the merchandising scheme of every shoe manufacturer, Central inserts in every box of shoes a message emphasizing the chief sales points of the shoe. When the salesman opens the box to show the shoes to a customer he can't miss this insert. It reminds him of points to be stressed and explained to the customer. With this insert the customer is reminded of the facts which were stressed in the advertisement and the facts he saw in the window display, thus receiving three shots of sales information, each backing up and reiterating the other.

A feature of this season's promotion on women's shoes is the Hollywood Parade, which is a tie up with several prominent movie actresses who endorse and wear Central shoes. A series of newspaper advertisements built around the stars, featuring Central's Gold Standard Shoes, a specially built movie star store trim that sells for $150 including wiring for lights behind each star's picture. Were the dealer to attempt to build such an interior display he, of course, couldn't obtain the permission of the stars, and he would probably have to spend several times $150 for labor and materials.

Another campaign, built around the idea, "A Perfect Fit or No Sale," requires the dealer to buy a Brannock Foot Measure. Then all dealers who buy the machine are furnished with a complete campaign including displays, newspaper advertisements, mailing cards to sell the "perfect fit or no sale" idea. There's a six piece mailing campaign, costing the dealer only six cents per name (for postage) for the printing, addressing, mailing, to promote the "no fit no sale" plan.

Many shoe companies have a window display service for their dealers. Central is no exception. The company sells a set of window display material consisting of wall

board panels, blocks and detachable letters, shoe shelves, etc. It costs the dealer $43.25. To supplement this he is furnished with a special display service, offering him a new window each month for $2.50. There is a less expensive window service for $1.00 a month. The monthly service consists of: Covering material for the panels, show card ideas, price tickets, signs, and a photograph of a window actually constructed in Central's promotion department, with complete plans and blue prints for it.

Another service is a monthly display card plan, consisting of four seven by eleven inch die-cut cards, card holders and price tickets. This costs the dealer $1.00 per month. A varied line of twenty-four-sheet posters is furnished on different Central lines, imprinted with the dealer's name. Central pays one-half the poster panel rental, the dealer pays the other half.

Like other shoe manufacturers Central offers all manner of advertising helps—circulars, mailing cards, specialties, signs, supplies. But here again Central goes a step further than some. The company will design, write copy, layout and print any kind of circular a dealer wants. Suppose a dealer wants to run a November Clearing Sale. All he has to do is to notify Central, list the shoes he wants to feature and send a list of prices. Central will turn out a special job of photolith circulars, with individual copy, individual prices and descriptions. The dealer may want to feature shoes made by a competitor. That's all right. Central will help him sell competitive shoes just as quickly as it will help him sell Central shoes. The cost for the first thousand such circulars, size seventeen by twenty-four inches is $28.50, and $6.00 for each additional thousand. Thus, for $40.50, the dealer can obtain three thousand well-written, profusely illustrated multilith circulars. The composition alone would probably cost more than this were he to have the job done himself. For the same size stock circulars, printed on cheaper, colored paper from stock copy and cuts, with only the prices, the dealer's name, and fifteen words of special copy Central charges $4.95 per thousand. These circulars, of course, feature Central shoes exclusively.

So far, this story has concerned itself almost entirely with the sales promotion activities of Central in behalf of its dealers. But the company's work doesn't end there. With every pair of shoes shipped to a Central preferred dealer there's a sales ticket, which is retained by the dealer, filled out to show the stock number, size, code, selling price, date, clerk, customer's name and address. This is for the dealer's perpetual inventory. Once a week these cards are collected and the facts recapitulated on a report to be mailed to Central.

The report shows all shipments received during the week, all sales during the week, under the following classifications: Shoes, findings, repairs, hosiery, with the cost and selling price included. With this report the dealer can see just where he stands. He figures the average cost of shoes sold and the average cost of shoes in inventory. Thus, if he is selling too many cheap shoes, his cost of shoes in stock will be higher than the average cost of shoes sold. Which means that he must get busy and move some of the higher-priced shoes.

When this report is received at Central an executive studies it and writes a letter suggesting any action needed to correct any bad condition the report may indicate. If it is a good report the executive compliments the dealer, and at the same time possibly suggests some method of making it still better.

Central sells shoes to approximately ten thousand dealers. Of this list seven hundred are what are known as preferred dealers, concentrating their purchases with Central and receiving in turn preferred attention, immediate shipments, inventory, management service, and other assistance in making money. And that's the gist of Central's entire sales policy—to help its dealers make money.

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Are Your Salesmen Selling Quality?

THE BIGGEST SELLING JOB *that manufacturers and distributors of all kinds have today, is to make their salesmen realize that the public has gotten out of the "price" mood, and is now seeking quality. Our surveys which have been made in approximately fifteen different lines of merchandise, show that it is necessary for the public to demand the higher qualities in order to get them. So many salesmen have been beaten down during the depression when the public was buying "price" that many of them still are afraid to push quality products.*—ROY H. FAULKNER, *President, Auburn Automobile Co.*

Rochester Public Library
54 Court St.

OFFICE MODERNIZATION SURVEY—III

More Profits Through Order Analysis

A DARTNELL SURVEY

A CHICAGO manufacturer of automatic pencils had been losing money steadily for several years, in spite of the fact that he was doing what seemed to be normal business. A new general manager caused a careful analysis of sales to be made. Two startling facts were developed:

(1) The company was making money on thirteen of its twenty-nine classifications of customers; it was losing money on the other sixteen.

(2) It was making money on thirty-six "numbers" in its line; it was losing money on forty-three.

By correcting these two situations four direct savings resulted: (1) sales expenses were cut one-third; (2) the inventory was concentrated on faster moving numbers; (3) return goods losses were improved, and (4) the cash position of the business was strengthened, both through a reduction in inventory and through a reduction in slow accounts.

Similarly, a cordage manufacturer in New England, selling direct to industry, found that two-thirds of his business was coming from three of his fourteen sales territories. An analysis of the sales made from the large-volume territories suggested the wisdom of increasing sales effort in those areas and curtailing operations in the less profitable territories. A number of salesmen were taken out of the fringe areas and used to reinforce the salesmen in the more productive areas. Because the company had factual data to back up its policy the change was effected without disrupting the sales organization. The concentration of effort proved highly profitable and changed the entire operating position of the company.

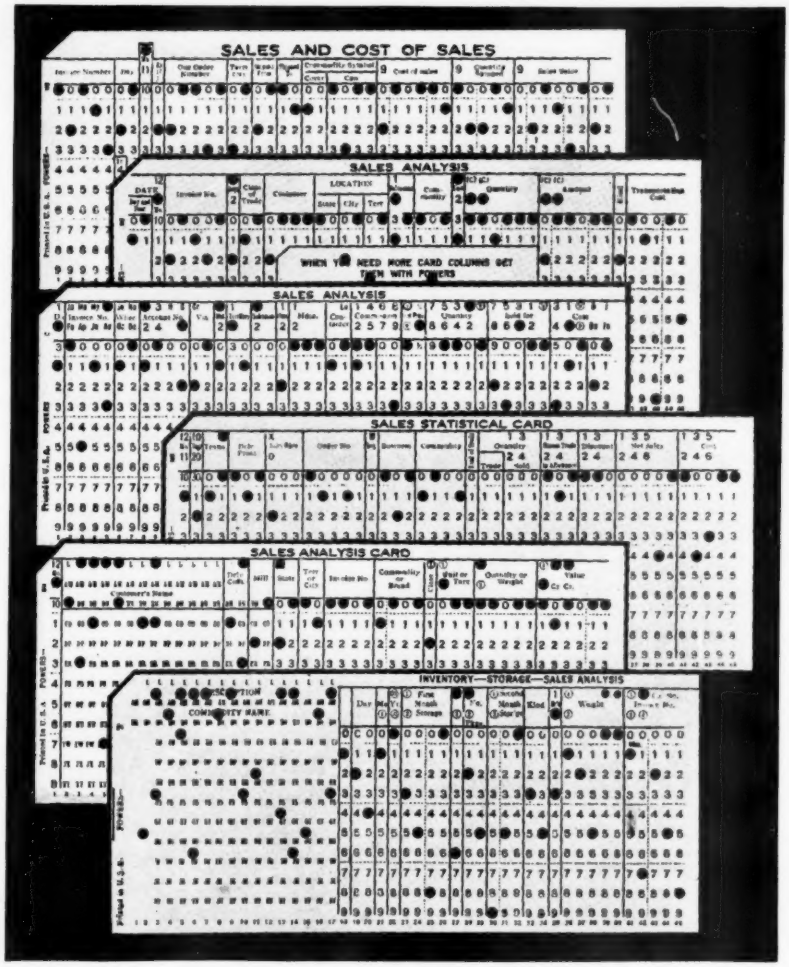
In another instance, operating results were changed from red to black by a carefully worked out schedule of commissions based on product profits. An analysis of sales showed that salesmen were dissipating their efforts selling products which were the least profitable, either because they liked to sell those items, or because they were easier to sell. An attempt was made to correct the situation by using the *margin* of profit, or dis-

Salesman Weekly or Monthly Sales and Cost of Sales

Salesman

Date Sept 1932

Sales		Dept.	Cost of Sales	
1433	72	1	1163	22
874	16	2	697	38
79	63	3	72	15
4688	17	4	3101	47
505	—	5	398	—
36	74	6	42	75
101	72	7	74	16
242	67	8	12[illegible]	[illegible]
67	[illegible]	[illegible]	[illegible]09	07
21	[illegible]	17	801	40
843	70	18	737	15
987	25	19	801	14
2417	88	20	1567	45
1432	17	21	968	22
747	03	22	501	70
2788	80	23	1976	30
840	70	24	700	40
467	18	25	301	70
28753	43	Total Sales	21225	70
2	68	Express		
12	30	Prep'd Frt.		
		Cartage		
1	05	Parc'l Post		
	35	P. P. Ins.		
28737	05	Total Billing	21225	70



ABOVE, *typical card forms used in the sales analysis system which is operated by means of punched cards and tabulating machines*

LEFT, *one of the strips used in connection with the peg board and calculating machine pictured on the preceding page. This is among the most simple methods of cost analysis and is usually used in businesses of average size*

count, as a basis for commissions. But this did not prove satisfactory since it failed to give consideration to the rate of turnover. A sales analysis system was set up which not only took the repeat frequency into consideration, but furnished the management with a periodical gross profit figure, which automatically determined the commission classification of every product handled by this wholesale house.

A shoe manufacturer in St. Louis who had always paid his salesmen a flat commission on sales found it advantageous to pay a bonus commission for extra volume from a territory. He worked out a scientific quota, based on the quality of orders as well as the volume, and compensated salesmen on above-quota business. In that way he increased his sales of more desirable numbers and thus sharply improved his profit position.

The above cases are cited simply to indicate the far-reaching benefits that result from knowing *more* about your sales, which salesmen are doing the best selling job for you, and which products are contributing the most of the profits of the business.

Check Your Business Practices with the Dartnell Recovery Program

☐ Have you cut your fixed or overhead expense to half of what it was in 1929? That is just about the drop in the national income.	☐ Did you budget 1935 sales promotional activities against 1935 sales expectancy or against your 1934 total volume?
☐ Having made that saving, have you utilized some of the money to get your operating costs down by modernizing your equipment?	☐ Have you set a definite 1935 sales task for every member in your organization, on the theory that the sales department is the whole business?
☐ Have you arranged for a continuous flow of new sales ideas into your business, to stimulate creative thinking and to keep your organization on its toes?	☐ What have you done to stimulate your key executives during 1935? Have you worked out a plan for them to profit from increased efforts?
☐ Are you analyzing your orders better to concentrate your sales efforts in the most productive low-cost territories?	☐ In computing your costs, did you determine how much you can afford to pay for *plus* sales volume?
☐ In your effort to expand sales in those territories, are you keeping the distribution of your products in *strong* hands?	☐ With that knowledge did you set your prices so that they permitted you to make a *real* sales effort?

These are the ten steps Dartnell has advocated as a recovery program for the business of average size. This article relates particularly to slip number V.

Business management is woefully lax in using facts. There seems to be a widespread opinion that sales analysis is all very well for the large, highly-organized company which can afford to install and maintain the necessary equipment, but that it is "over the head" of the business of medium size. If anything, the reverse is true. The medium-sized business, operating from ten to one hundred salesmen, has a greater need of facts upon which to base its sales operations than does its large competitor. The big business, doing an intensive selling job in every community, can more easily absorb sales losses than the smaller business which must make every sales effort pay its way. The difference between red and black ink in a business of average size is often a matter of only a few thousand dollars. Misdirected sales effort can easily make that difference. Then, too, the medium-sized business seldom has the cash resources of its large competitors, nor the banking connections to provide funds when there is an operating deficit. For that reason it needs to watch the money tied up in inventory and receivables closely.

While it is true that the sales analysis methods of some of the billion dollar companies are highly complex and expensive, it is not always realized that by cutting red tape and paying attention only to essentials it is possible to install a profitable sales analysis record at a cost as low as $500 a year. From there on up, you can spend as much money as you wish, or as much as the benefits of the system justify. Perhaps the greatest mistake that is made by a management is to think that it is saving money by not providing the machinery to get accurate facts on sales distribution and costs. Like so many other things which directly affect profits, every business is paying the cost of keeping adequate sales analysis records. It pays either in lost profits, or it pays in maintenance. *Usually the last is the cheapest.*

There are four things which every company marketing a group of products or services through salesmen needs to know, if it wants to be sure that it is making the most of its profit opportunity. Briefly these are as follows:

1. Which products are the most profitable, and therefore the most desirable to push.

2. Which territories are the most profitable to cultivate more intensively.

3. What classes of buyers are the most profitable to sell, judged on cost of selling and repeat business.

4. What salesmen are the most profitable to the house measured in terms of *net* profit on their sales and not merely on the volume of business they turn in.

There are other things that a thoughtful manager wants to know about sales, such as (1) volume of different classifications of products sold by individual salesmen, or sold to individual buyers; (2) the total of sales by salesmen and by mail in each territory and for each product, and (3) salesmen who are doing an all-around selling job as contrasted to those who are skimming the cream. But while these data are *(Continued on page 49)*

Shamrocks and Orders

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And they have a lot in common, especially in these times when salesmen more than ever before need the stimulating effect of some constructive sales-building activity

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By EDWIN H. SHANKS

A NUMBER of outstanding days, scattered down through the year, offer good opportunities for a sales hook-up. One of the most important in the early spring is March 17. All the world is Irish on St. Patrick's Day. Breathes there a man who doesn't pay tribute to the shamrock!

Many executives using special sales stimulation plans in March have found that a campaign developed around St. Patrick's day and the time-honored custom of wearing shamrocks, offers a particularly effective setting for the venture.

For the sales organization, put on a Shamrock Contest. Use a Shamrock Contest Bulletin to send salesmen news of the contest. Award one shamrock for every sale or every hundred dollars in volume. Mount the shamrocks on a specially constructed scoreboard in the office.

The scoreboard may be designed in such a way that the shamrocks awarded each representative for sales achievements will be mounted in a row beside his name. With names at the left and shamrocks mounted in a row toward the right, the scoreboard will constitute a graphic picture of the comparative standings of all men.

Another idea is to have for your slogan during your "Win a Shamrock" campaign, "Quota by the 17th," thus making St. Patrick's Day the high point of a sales drive. As the "wearing of the shamrock" is popularly supposed to bring good luck, the campaign can be lengthened by introducing other emblems of good luck and by calling the plan a "Lucky Days" campaign. The "Lucky Days" angle may be added at the conclusion of the Shamrock Campaign or, if it suits your particular case better, the campaign may be started with the "Lucky Days" division and the Shamrock idea used to provide a finishing touch and to conduct a final spurt.

The letters or bulletins used in promoting the campaign should be tied in with popularly accepted emblems of luck, such as the horseshoe, rabbit foot, shamrock, Ganesha, firecrackers, new moon and red ear of corn. Develop each sales letter or bulletin around one lucky emblem.

Each message should present a constructive thought. For example, one company had salesmen concentrate on opening up new accounts and pointed out that "every day a new buyer is added to the books is a 'lucky day' for the house and the salesman." The plan has been used also in a drive to get salesmen to revive inactive accounts, to reinstate lapsed policies, and to introduce a new item.

In staging a campaign of this nature, one company divided the salesmen into two teams—the Orangemen and the Shamrocks. Rivalry was stirred up at a dinner where a captain for each team was appointed, green and orange hats distributed, and challenges were exchanged. Announcement was made that the "scrap" would be settled —not with shillalahs and fisticuffs —but by the greatest sales volume obtained before March 17, with suitable rewards and celebration at that time. The result was plenty of fun—and a substantial increase in sales.

An impressive announcement and constant promotion through bulletins and mailings sent to the homes of the men will help build and maintain interest. The regular mailings can be augmented by a series of cards printed in green and carrying helpful sales suggestions. Let each card carry also some side remark by "Pat."

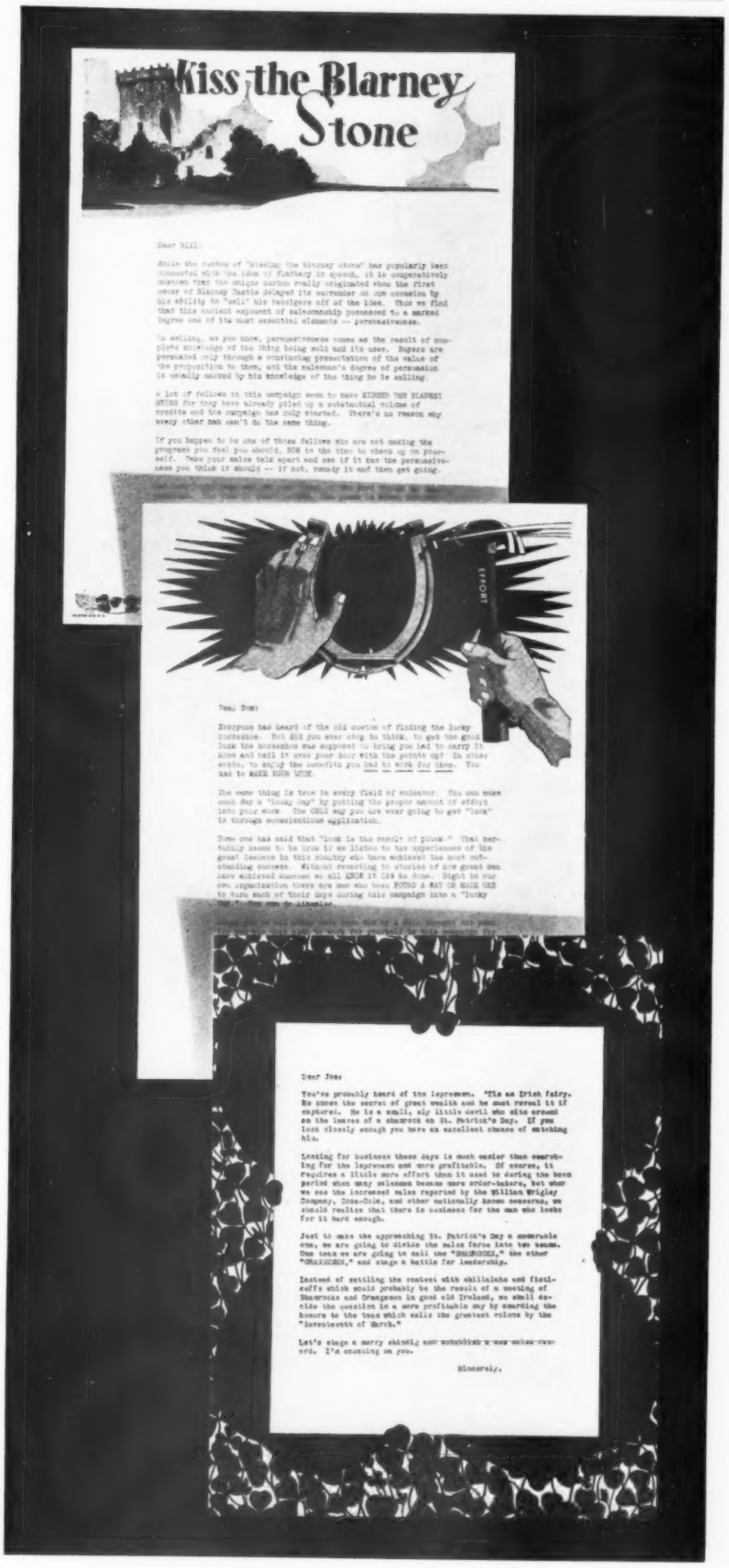
Just prior to March 17 is a good time to get out a sales letter tied in with the date. One idea is to have the letter typed in the shape of a shamrock. Another idea is to use a letterhead with a shamrock or four-leaf clover design. The opening paragraph for such a letter used by one company may offer a suggestion. Here it is:

"You've probably heard of the leprechaun. 'Tis an Irish fairy. He knows the secret of great wealth and he must reveal it if captured. He is a small, sly, little devil who sits around on the leaves of a shamrock on St. Patrick's Day. If you look closely enough you have an excellent chance of catching him."

Attaching a shamrock leaf to the letter will add an effective touch. Window displays, sales meetings, collection letters, bulletins to employees, and other phases of the business may be tied in, with good effect, to the world-famous March day for the "wearin' of the green."

Do not think that it is necessary to have a hundred or more salesmen in order to use these seasonable activities profitably. Salesmen are all alike, whether they are part of an organization of hundreds of men, or just one in a group of ten. They get stale very easily. The continual round of calls, hearing the same old excuses, getting the same old hard-luck stories, listening to the same old complaints, eventually wear down the best of salesmen. They need refiring. They need new ideas, or better still they need the old, time-proved ideas in a new coat of paint, with a fresh point of view and tuned to current situations. That is where showmanship comes into sales management. Laugh it off if you will; say that your business is different and that your salesmen are too serious-minded to respond to an idea just because it comes in a different dress.

But the facts are that hundreds of companies, especially those which have been going places during the depression, have found that salesmen do *(Continued on page 60)*



CUSTOMER RELATIONS

A Better Letters Clinic for the Average Business

Conducted by L. E. FRAILEY

GENTLEMEN, be seated. There are eight operations scheduled for this session of our Business Letter Clinic. I hope that you will study carefully the suggestions made, and that they will be helpful in the work you are doing to improve your own letters. Perhaps you will not always agree with the diagnosis, but who ever heard of a doctor—dealing in words or in pills—who always pleased his patients?

Fortunately, the letters to be examined run a wide gamut of interest. Some of them are sure to come close to your own letter problems. One is a New Year's message—you all have that job to do once each year. Another is a complaint. The writer doesn't like the way you run your business. Well, that's not unusual. The third seeks to bring the black sheep into the fold. He ordered some oil but left it lying at the station.

The other five are letters that dig deep to the roots of all business—they try to make a sale. Envelopes, tire tubes, coal, and insurance—how would you sell them by mail? You may think there is a wide spread to those four problems. But not so wide, after all! A sale is a sale, and the method about the same for pins or pianos. You get the reader's attention, you give him some good reasons why he should buy, and then you set fire to his emotions. You'll hear more about that principle of letter writing before our Clinic has run its course.

And one of the letters seeks to sell a man! Millions of people would like to know how that is done. Millions write letters, asking for work. Not one in a thousand is called for an interview. Why? Will this letter in our Clinic point the way? Maybe. It is much better than average.

Hats off to those who sent their brain children to us for examination! Without letters to pick apart, there could be no Letter Clinic. Perhaps you will say I have graded a few of these exhibits too severely. But what's the difference? High grades—or low grades—they matter little. It's better letters we are after, and honest criticism is always more helpful than empty praise.

Continue to send me your letters. The Clinic is yours, and it costs you nothing. For the benefit of those who did not get the first copy of the new and bigger AMERICAN BUSINESS, there are seven questions I ask of any letter:

1. Is the appearance attractive?
2. Is the language simple?
3. Is the argument convincing?
4. Is the letter well constructed?
5. Does the personality of the writer shine through?
6. Has the letter a friendly spirit that will win good will?
7. Does it do the job?

The high grade (!) is 15; the next grade (+) is 10; the third grade (?) is 5, and the low grade (—) is 0.

Do you study the letters that come to you every day? There is no better way to learn what is good, and what is bad, in letter making. Just as the naturalist is forever stooping to study some growing thing, so must the letter craftsman be conscious of the writings which cross his path.

Here, for example, is a letter that came to me only yesterday. The writer wants to loan me money. "At your request and confirming our conversation, I am, herewith," he begins, and, "Thanking you for this opportunity, we are," he closes. What a funny way to write to a letter man! Where did he acquire that language? He sat at my desk, and he talked to me in a friendly, natural way. Then he went back to his office and became a solemn creature cut to a formal pattern. A lot of folks fall into that trap. They seem to think that a letter is like a bottle of wine—that it is only good when old and musty.

Here's another from yesterday's mail. It came from a business man who holds high office in the St. Louis Boy Scouts. "In accordance with," he starts, and, "Trusting that we may have you registered another year, we remain," he ends. The same old stuff—used by your grandfather's grandfather before the world had ever heard of a boy scout! But a lot of things have come to pass in the last one hundred years—electric lights, auto-

mobiles, radios, and airplanes—must our language never change?

Often, it isn't the old-time expressions that spoil our writing. It is more the inability to use short sentences and short words. What do you think of the following sentence taken from an office memorandum which I saw last week?

"It does suggest that individuals may often unconsciously allow their feet to start moving across the floor when the telephone or a memorandum might be used to deliver the message or get information in much less time and without the common social conversations which may reduce one's effectiveness in getting the day's work done today, before five o'clock."

Queer, isn't it? Probably, you didn't get the meaning of that loose-jointed sentence, but don't bother to read it again. What the writer tried to say was, "Don't waste the time of your fellow-workers with personal visits when a telephone call, or a written note, will do the job." But instead, he threw together five words of four syllables, one word of five syllables, and a lot of dangling phrases which left his dazed readers wondering what it was all about.

Contrast these two conclusions. "And remember, although your charge account is lonesome, it is still good, and we'd be happy to have you use it." That's just nice, easy-to-read talking, and it makes you want to go to that store and buy something. But what about this one? "We want to take this occasion to thank you for your cooperation, and to express the hope that you feel well compensated in the satisfaction derived from the service performed."

Well, so much for that. Let's get out our tools and start to work on the eight letters which are passing through our Clinic. I wish you could see the letterheads, because three or four are quite good looking. But several of our patients asked that their names be omitted, and perhaps the others feel the same. That means you will have to take my word for it.

Rates 55 Per Cent

1. Appearance	?	5
2. Language	+	10
3. Argument	+	10
4. Carpentry	!	15
5. Personality	?	5
6. Spirit	+	10
7. Does It Do the Job?	No	0
Rates		55%

What's Worse Than War?

During all the wars that this country has engaged in as a nation -- Revolutionary, the War of 1812, the Mexican War, the Civil War, the Spanish American War and the World War -- Americans killed in action or died of wounds numbered less than 300,000.

325,000 Americans were killed because of auto accidents -- since 1920.

Upwards of 3,000 reported auto accidents and 50 deaths occurred in St. Paul last year. Juries are now awarding much larger sums for damages. That means attachment of property, or garnishment of future salaries. . . .

Automobile policies may look alike, but so do mushrooms and toadstools. Good insurance is the only safe protection -- Doe has written only that kind for 42 years.

Why risk your life savings, plus your financial future, when a very few cents a day will give you security?

Drive the next mile without worry. You have no obligation if you mail the enclosed post card. It costs nothing to mail the card -- it may be one of the best things you ever did.

Yours for protection,

OBJECTIVE: *To persuade reader to mail inquiry card about automobile insurance.*

1. The letter is processed on stationery which is dignified but not distinctive. The headline, "What's Worse Than War?", is much too large—giving a billboard effect. At the bottom of the letterhead is a small picture of the building which lodges the company. It does not help. What is the sales value of a small building?

2. The language is fairly good. I don't like "upwards of," and "as a nation" could be omitted. The best phrase is "but so do mushrooms and toadstools."

3. I think the argument would have stood out stronger had my attention not been distracted by the large headline, a cartoon of a man on the cycle, and a picture of the building.

4. Aside from the overdone appearance, the letter is well constructed. It has an interesting beginning, rapid flow of thought, and a fairly good hook.

5. The letter does not rise above the commonplace in personality. It reads as a book, rather than a man talking.

6. There is nothing to antagonize—nothing much to win good will.

7. The writer admits that the letter does not pull more than 1 per cent.

Rates 85 Per Cent

1. Appearance	!	15
2. Language	+	10
3. Argument	+	10
4. Carpentry	!	15
5. Personality	+	10
6. Spirit	!	15
7. Does It Do the Job?	Yes	10
Rates		85%

Dear Mr. Jones:

If I permitted the end-of-the-year rush to prevent me from writing you and simply saying, "Thank you warmly for the business you've directed our way during 1934," I would be ungrateful.

And now another New Year is almost here, once more reviving the hopes of a pretty badly shaken and battered world of business. This time, I am sure, we have a sturdier foundation than we've had these past five years on which to place them.

I think we are right in this thought. Hopes and good wishes always lean toward the brighter side of life. They are the foundation for faith in the future; and without faith I fear that few would have the courage to forge ahead without flinching.

Our good wishes accompany you into the New Year. May it bring you further into the plus side of profits and prosperity. We "stand by" to serve with a helpful attitude at all times.

Cordially yours,

OBJECTIVE: *To wish the reader a good New Year and thank him for orders received.*

1. This letter rated the best of the month on appearance. The letterhead is dignified and attractive. The typing and margins are perfect. The writer has a good secretary.

2. The sentences are short, the words now and then quite vivid. "Battered," for example, is a nicely chosen word. The "feel" of a New Year message is hard to get. If too extravagantly worded, it sounds insincere; if not lifted out of the rut, it has no appeal. The language in this letter seems about right. "Them" at the end of the second paragraph is a long way from home. I had to look a long while to find its daddy. Why quote "stand by"? I find that a lot of writers quote words and expressions which would stand alone.

3. The thought of this letter is conventionally good. I can't say it is highly original, but the old, old story is aptly told.

4. A good letter carpenter worked here. The letter begins and ends sturdily, and it moves along.

5. While the personality of the writer is quiet, he is very much in evidence.

6. The spirit of the letter is friendly and sincere. The reader would accept this message in good faith.

7. Yes, it does the job.

Rates 30 Per Cent

1. Appearance	−	0
2. Language	+	10
3. Argument	?	5
4. Carpentry	?	5
5. Personality	+	10
6. Spirit	−	0
7. Does It Do the Job?	No	0
Rates		30%

Gentlemen:

No doubt you have noticed your business falling down. Well it should have, and will more. Do you think the trade will buy your products, when there are other concerns, making just as good food products, and cheaper --

Also, do you know it is detrimental to you, to employ married women in your office. Women who don't have to work -- who have husbands to support them. In the Bookkeeping Dept. you have two -- husbands both working, making good salaries -- have a car, maintain a large home. Then you have the gaul to lay off girls who support families -- fathers out of work, and have no other means of support, but that measly salary you pay them.

Your firm is the most unjust one in the city -- the public is going to know about it through the newspapers and Unemployment Leagues and every other source.

No matter how big a concern you are, you need a little justice and this should be made known to the general public.

OBJECTIVE: *To complain about the employment of married women when so many men are out of work.*

1. This letter is taken out of my own mail. It came in a dirty envelope, and is written on tissue paper. The typing is crude. It is quite evident that someone outside of business life is the author.

2. Naturally, because it is an ugly, vicious letter, I would like to grade it zero on all seven points. But, curiously enough, the language is rather straight to the point. The writer gets a certain punch into his letter that some of the others lack. It is, of course, poorly punctuated.

3. The argument is obviously unfair, but from the writer's point of view is probably sound.

4. With a little training, this fellow would be a good word carpenter. We'll have to concede that. His beginning is terse, and he stops at the climax. There are a lot of good business people who do not build as well.

5. Personality can be interpreted two ways. This one, of course, is mean and repulsive. But just the same, you do see a man talking in the letter—a man with a red face and bitter mouth. I give him the ten points.

6. Well, there is no cause for hesitation when it comes to the spirit of this letter. It is the kind of thing that never pays. Zero, of course.

7. No, it didn't do the job. We are still in business.

Rates 30 Per Cent

1. Appearance	+	10
2. Language	?	5
3. Argument	?	5
4. Carpentry	?	5
5. Personality	−	0
6. Spirit	?	5
7. Does It Do the Job?	No	0
Rates		30%

Dear Mr. Williams:

GREAT GIANT -- not just another coal, but one you may profitably consider
-- for its inherent quality, its exceptionally low ash and high heating value, as evidenced by the following pages
-- for the sound responsibility of its producer
-- for the big output and capacity for service of GREAT GIANT mines.

Always a top price coal before N.R.A., the affect of present wage scales and Code prices has been to decrease the "spread" between GREAT GIANT and many coals formerly selling at lower prices.

Your time is valuable. We have no desire to waste it. But when next you do take up coal, may we ask your consideration of GREAT GIANT, in the same spirit that your company offers its service and products to users who may profitably handle them?

Hopefully yours,

OBJECTIVE: *To interest a prospective buyer in coal.*

1. The letterhead has considerable dignity, the typing is nicely balanced on the page, and the signature is personal. The paragraphs starting with dashes irritate me. The letter would look much better if blocked and if the three dash lines were double indented to line up with the other paragraphs.

2. The language is heavy. The words are often too big. For example, "inherent quality ... as evidenced by ... the affect has been to decrease." Shouldn't it be effect? The last sentence weighs a ton—not good even in a letter about coal.

3. This is a four-page folder, and most of the selling facts are on the inside pages. For that reason, all that the letter needs to do is to get the reader to look inside. The arguments used are stated but not proved. Competitors would *say* the same. The letter is not so bad, but it would be just another one of the many that come to a business man's desk.

4. The writer is not an expert carpenter. The star is dim, the chain is weak, the hook is not convincing. The skeleton is there, but the bones are fragile.

5. Very little personality! No human appeal! I am afraid this is a letter born to be buried in the waste paper basket as soon as it is read.

6. There is a flicker of good will in, "your time is valuable." I see nothing to antagonize, but nothing to win favor.

7. It would not sell coal.

Rates 60 Per Cent

1. Appearance	!	15
2. Language	+	10
3. Argument	+	10
4. Carpentry	?	5
5. Personality	+	10
6. Spirit	+	10
7. Does It Do the Job?	No	0
Rates		60%

Dear Mr. Caldwell:

This little nail is a useful gadget, however, it can cause delay, despair and depression when it contacts with your tire.

It is a safe guess that every flat tire, which you have had, occurred when you were in a hurry to keep an important engagement, and perhaps you had a "duce" of a time changing your tire.

That new Buick which you bought a few days ago is fast and that brings us to the question of your safety, and why we suggest that we would like to equip your car with four Polson Puncture Proof Tubes, taking your regular tubes in trade.

The cost of these tubes should be divided by four as they are guaranteed to give uninterrupted service for at least that many years. What's more your tires will give at least 20% longer service because these tubes retain an even air pressure resulting in longer mileage. The cost of this safety assurance is only $39.80.

May we send for your car today?

Yours very truly,

OBJECTIVE: *To sell puncture proof tubes to a new car owner.*

1. Here is a letter that says, "Come on and read me." It is written on a lively letterhead—dignified, but with just the right amount of color. It is nicely typed.

2. The language sparkles here and there. "Gadget" is an interest-getting word. In other places, the letter lacks lustre.

3. There are three reasons for buying. (1) Punctures always happen at the worst moment. (2) The new, fast Buick requires safe tires. (3) The cost is low in the long run. Seems to me, the best argument is in the middle! This reader is probably proud of his new car. The best argument should come first, or last.

4. To get attention, the writer sticks a nail in the letterhead. I don't think Uncle Sam will carry nails in envelopes. Better ask your postmaster! But the letter does get attention quickly, and it moves along to the end. Then, the flop! Not much hook-in, "*May* we send."

5. Plenty of personality! A man talks in this letter.

6. The spirit is good—nothing to arouse hard feeling—and friendly.

7. Because of the nail, which I think illegal, and the ending, which does not move to action, I cannot say the letter will do the job.

Rates 95 Per Cent

1. Appearance	+	10
2. Language	!	15
3. Argument	!	15
4. Carpentry	!	15
5. Personality	!	15
6. Spirit	!	15
7. Does It Do the Job?	Yes	10
Rates		95%

Gentlemen:

The letters that go out on your stationery are a mighty force for good or evil. A good letter writer is an asset to any firm. A Sales Promotion and Advertising man we know -

> Recently wrote a letter to 300 accounts that sold thousands of dollars worth of merchandise at a a selling cost of 4.4.
>
> A further letter to a list of Inactive Accounts brought 30% back into the fold. . .

You'll agree that's a pretty good record.

His letters are forceful, dignified and human. He also edits a House Organ - writes snappy copy for Booklets and Folders as well as compiling Catalogs.

This man is open for a connection - trying to dig up some place where he can hang his hat and coat and make himself at home. Unassuming and industrious - he doesn't pretend to know it all. His ability can be had for a reasonable figure - a good opportunity for some concern.

If you would like to talk to him - he'll gladly call at your convenience. Mind you, there isn't a particle of obligation involved.

Just name the time and date - that's all. Thank you!

Very truly yours,

OBJECTIVE: *To get an interview for an unemployed client.*

1. Might have been graded higher on appearance except that there is a correction in ink on the letterhead—a change in address! It's costly, I know, to throw away good paper, but so it is to discard a suit that has to be patched.

2. The language too stands out. The words are mostly short and bright. The sentences are full of life. Notice how the one paragraph of seven words catches the eye.

3. The writer builds a strong case for his client. The proof of ability is clearly stated. His personality also gets a good selling. As a personnel man, I can safely say this letter would be likely to get an interview.

4. Obviously, a letter craftsman built this letter. It sparkles, it moves rapidly, it convinces.

5. Between the lines, you feel the presence of a man. Letters should talk. Well, this one does.

6. The spirit is fine. The last sentence, particularly, glows with friendliness.

7. Yes, the job is done.

Rates 50 Per Cent

1. Appearance	!	15
2. Language	?	5
3. Argument	+	10
4. Carpentry	?	5
5. Personality	?	5
6. Spirit	+	10
7. Does It Do the Job?	No	0
Rates		50%

Dear Sir:

The envelopes you buy in the course of a year may not bulk very large in your mind as an item of expense. Perhaps you consider them as an unimportant detail. For that very reason it is good business for you to place your envelope orders where they will get the expert supervision and attention they really deserve.

While you may buy envelopes by the box -- we manufacture them by the million. It is a business with us and we have helped many of our present customers to make economies in envelope purchases they never knew existed.

We have found companies who are mailing in a 9 x 12 envelope material which could just as easily be mailed in a 6 x 9. We have also found concerns who address certain material twice, where a window envelope would save one addressing operation.

Johnson Envelope Service finds the leaks and recommends economical changes.

When you next need envelopes, let us demonstrate what we mean.

Very truly yours,

OBJECTIVE: *To sell envelopes—or to pave the way for a sale when the buyer is in need of them.*

1. Nothing to criticize about the appearance! It is a very presentable letterhead, with the hand of a good secretary evident in the typing.

2. Language not so good! Why say, "to make economies"? Don't you mean, "to save"? Do you like, "concerns" better than "companies"? I don't. Notice, too, that it is twice used in the same paragraph. The most interesting sentence is, "While you buy by the box, we make by the million." (I substituted "make" for "manufacture.") Such an interesting sentence hardly deserves to be lost in the middle of the letter.

3. The argument is good, but it would stand out stronger if the language were more lively.

4. I find nothing very bright in the star, and surely the hook is none too strong. "Let us demonstrate what we mean," is not exciting.

5. When it comes to personality, this is just an average letter. It has a certain dignity, but I do not see a friendly face behind the lines.

6. The letter has nothing to cause ill will, but it does not dig very deep under my skin. You might call it an affable letter—not much more.

7. With a few changes, I think the letter would pull. As it stands, I doubt it.

Rates 50 Per Cent

1. Appearance	?	5
2. Language	+	10
3. Argument	+	10
4. Carpentry	+	10
5. Personality	?	5
6. Spirit	+	10
7. Does It Do the Job?	No	0
Rates		50%

Dear Customer:

A week ago we wrote you that the Railway Company had notified us that although your shipment came through to your station promptly and in good shape, you had not yet called for it.

Up to this time we have not had any report to tell us that the shipment has been delivered to you. We do hope that you have taken care of it before now.

If, for any reason, you have not yet been able to get in for your shipment, then, of course, it is very important that you should attend to it at the earliest possible date, since the goods have been at your depot so long.

If you have not already cleared the shipment from the station and have not written us, please do so upon receipt of this. It won't take much of your time -- just turn this letter over and use the back of it -- and it will help us a lot. We are anxious to know if you have received the goods or how soon you will be able to take care of them.

You will find an envelope that does not need a stamp enclosed.

Cordially yours,

OBJECTIVE: *To persuade buyer to take shipment which has been laying at railway station.*

1. The letterhead is excellent, but the processing below par. The letter is mimeographed to "Dear Customer." Since this is the third follow-up, and the company stands to lose considerable if the goods are not taken, would it not pay to write a personal letter?

2. The language is all right except in spots. "Earliest possible date" is rubber stamp writing. So is, "upon receipt of this." What's wrong with the sentence, "You will find an envelope that doesn't need a stamp enclosed?" Is the stamp enclosed?

3. The argument is sound enough but does not seem sharply drawn.

4. The letter begins with some dash, and ends making it easy for the reader to reply. The transitions are O. K.

5. The personality is rather dull. The situation demanded more man-to-man appeal. The human interest is lacking.

6. Nothing in the letter to antagonize—nothing to build good will! I get the impression that the writer stays too much on the fence. He should either seek to appeal to the better self of the buyer, or he should take a firmer stand.

7. The use of the envelope might get a reply, but I don't believe it would.

GEORGE WILLMAN'S PROBLEM PAGE

The Right and Wrong Way to Sell It

Hundreds of salesmen have consulted with Mr. Willman about their personal selling problems; in this department he offers the same personal advisory service to you

DEAR MR. WILLMAN:

In my work of selling a group Welfare and Safety Service to the employees of large manufacturing companies, I encounter a problem every day which has given me quite a little trouble. I would like to get your recommendation about how to solve it.

I have found that when I get a chance to tell my story to groups of employees, I have little difficulty in arousing their interest and enthusiasm. But my trouble is getting the permission of the head of the business to talk to his employees. The plan costs him nothing. It provides a valuable service for his workers. It is to his advantage to have them take this service. Yet often times he will not grant me permission even to present the plan to employees. How can I win him over to my side?—*R. H. C.*

YOURS is the problem of hundreds of salesmen whose job it is to approach key executives to sell a group service of some kind for employees.

Here is the basic reason for your trouble with the key executive—you try to *sell* him. Don't do that! Do two other things: First, ask him to let you *explain* a service you have for employee groups to make them happier and better employees. Second, ask him, if he likes the idea, to let you explain it to his employees.

He will probably come back quick with a curt question of, "Well, what *is* it?" Don't make the fatal mistake here of trying to tell him—don't blurt out your story in a few swift, timorous words. Instead, ask him if he has the time *now* to give you the fifteen minutes it will take you to tell him the *whole story*. If he says "No"; *don't stampede*, just remind him that a service that will be of real value to several hundred employees is important enough to take fifteen minutes of explanation, and if not now, later when you will be glad to come back at the time most convenient to him.

If he tries to stampede you again with a—"Well, outline it briefly" —say, "No, Mr. Jones, that would be a waste of your time and mine. I know that you are sufficiently interested in any plan that might be of benefit to your employees to take fifteen minutes of time to listen to it. If you have the time right now, I shall be glad to begin my story. I know that you will be glad to listen and ask questions when I begin to unfold my plans. Shall I start in or shall I come back some time when you can definitely give me the time? Remember, I have nothing to sell *you*, you can't buy or pay for this service. Your employees must want it, be willing to pay for it—and not only that, a *majority* of them must want it before—but I getting ahead of my story!"

Almost always this beginning will give you the time—*all you want*

of it—and the favorable opportunity to tell your story in full.

If, after you finish, he says "No, I don't think we want this!" don't stampede with a lot of arguments—don't try to insist—don't try to *sell* him. Merely say, "Well, Mr. Jones, before you make such a decision against what your employees *might* want, let me suggest that we call in two or three of your key executives in the plant and put this up to them. Let's see what *they* say. They also have to agree before you and I can go ahead with this plan."

If this fails, then mention the names of from three to five outstanding companies that have the service, one in his industry, if possible, and tell him that you will be glad to wire any one or all of them from his office then and there and in his name ask what they think of your service.

If this still fails—bid him "good-bye" with a smile—don't show the least regret or disappointment—and walk out with a brisk step and a brisk "good-bye." But come back again the next day, and explain that you had to stay over and you happened to think that maybe he would be interested in some "documentary" evidence. Now is the first time you should attempt to use a portfolio. In almost every case you will find that now he will be perfectly willing and perhaps almost glad to "hear you through." You succeeded the day before in winning his real interest. You left him wondering. He has been thinking of what your "proposition" really *might be!*

Portfolios do a lot of harm when the salesman tries to use them to gain attention and interest. Don't you know that the salesman who is really in command of a situation with a prospect first wins attention and interest through personality, attitude and approach? He must do this before a prospect will give any real interest to a mechanical presentation!

What's the secret of winning attention and interest? Your own *genuine belief* in your proposition or product, your sincerity due to this belief, your power thus to inspire confidence of your prospect in you—and this through your own confidence in your proposition and therefore in yourself! If you are *really* confident that your proposition is a good thing for your prospect, and know why, you will have very little trouble in winning the confidence, interest and attention of your prospects!

This answers your question—"How can I win him over to my side?"

●

DEAR MR. WILLMAN:

A few days ago I called on a good customer of mine to get his repeat order on last season's printing. The advertising manager—who gave me the business last year—turned me down cold. He said it was going to be necessary for him to make a change this year because he had to get out this catalog at about half the price he paid last year. He told me the specifications were completely changed and that he had been spending altogether too much in the past on expensive printing and too many colors.

Now I know that this advertising manager hasn't been spending too much on his catalog if it is going to do the job he expects it to do. If he cuts down the quality of his catalog as much as he says, it just won't be good enough to get the business. But how am I going to make him realize that? Any assistance you can give me will be very much appreciated.—*H. L. K.*

MY ANALYSIS of your problem is this:

1. The advertising manager has received instructions from his higher-ups to cut down expenses in his department to the last dollar. These instructions are so dominating his mind that he is losing sight of results.

2. The salesman who sells this man will need to convince him, without exactly telling him so, that the boss must be sold on the idea that results are more important than savings, especially so when unimportant savings may make an important difference in results.

3. Consequently, the thing for the salesman to do is to develop an idea that will cut costs without endangering results, and to give the advertising manager a plan for the new catalog that he can pass on to the boss. This plan should put the emphasis on results rather than on lower costs.

4. The salesman's success will depend upon the breadth of his experience, how well he keeps up with present-day printing, how good an idea he can develop, and how much cooperation he can get from his house in getting it ready to present.

With these facts in mind, what I would do if I were you would be to talk to the advertising manager like this:

"Most of our customers are doing exactly what you are planning to do this year—cut down expenses without endangering results. You have always had an attractive and effective catalog which has done much to sell the standing of your house to the trade. This makes your job of cutting the cost of your catalog that much more difficult, for, of course, you can't give your good customers the idea that you are compelled to cut expenses drastically in every direction, or they might think that you are also compelled to cut the quality of your goods.

"Others who are forced to curtail their printing expenses are maintaining distinctly the high grade of their literature. As you suggest, they are cutting out unnecessary colors and decorative art work. But they are maintaining the grade of stock, doing more careful retouching and plate work than ever before and using every means to improve the illustrations of their products.

"Well-chosen colors and expensive decorative art work are attractive and have their investment value in good will; and the kind of catalogs we are turning out this year at less money still sell quality

and richness. We manage to work in high-grade cover and inside paper stock without running costs up too high. We are doing more careful and better presswork than ever, and we are thinking overtime about page layout and many other details of good printing that make catalogs and sales literature good salesmen. We think there is carefulness and craftsmanship about our work that indicate real quality in every job we do, regardless of how low the price for it may be. Perhaps you have noted the changes in the catalog the big mail-order houses are sending out now. They have never mailed out more effective and beautiful catalogs. The pages are smaller, but the stock and presswork seem better than ever. The illustrations, the page layout, and the character of the copy are about the best printed salesmanship I have ever seen. And, incidentally, this year one of them has had a substantial increase in profits over last year due largely to sales from the catalog.

"Mr. Jones, I am thoroughly in sympathy with your idea of changing specifications and trimming out every cent of unnecessary cost, and I know you are in sympathy with me when I say that neither of us can afford to sacrifice the selling power and results which your catalog must have this year as never before. I would like to have you give me your thoughts and ideas and any plans you have in mind for your new catalog; then, I want you to give me a few days to think about it, gather some samples of the kind of printing work we have been doing these last few months and let me phone for an appointment. I believe you realize that it has always been my intention to cooperate with you in every particular. This year I want to do so more closely than ever. I think that you and I can surprise the powers that be in this company with the results we can work out and the money we can save. This is the year of all years that we surely need a good catalog—and at the right price to you!"

DEAR MR. WILLMAN:

Recently my company—I work for the public utility company here—switched me from refrigerator sales to electric range sales. One of the reasons for the change, I was told, was because I have been more successful than the average in selling refrigerators and they wanted to make a drive on ranges.

Well, to tell you the truth, I'm falling down on the job. I could sell refrigerators; I'll admit it. But I'll also admit that I haven't had much success selling ranges. I can't see that I'm doing anything different from what I've always done before, but I'm certainly not getting the same results. Maybe you could give me some suggestions that would be helpful.—*F. A. R.*

IF YOU will pardon my saying so, probably the reason you aren't getting the same results selling electric ranges as you used to get selling electric refrigerators is because you *aren't* doing anything different from what you've always done before. Probably you haven't changed your methods to meet a changed situation. Probably you are trying to sell ranges with refrigerator sales appeals. And most of all, probably you haven't taken the trouble to learn your product.

The reason you were successful before, undoubtedly, was that you knew refrigerators and how to sell them. But you have admitted you don't know how to sell ranges, and it's evidently because you don't know them.

Here would be my suggestion to you: Don't study your product simply as an interesting bit of mechanism, a fascinating piece of machinery. Study it from the standpoint of what it will do for the customer. And to study it from that standpoint, you will have to learn something about cookery, something about cooking foods better and in much shorter time, something about the improved flavor electric cooking imparts to foods.

In selling refrigerators you didn't have to know these things. The public has been pretty well sold on electric refrigeration, and you could devote more time to selling the actual construction features of your particular model. Of course, you had to have information at the tip of your tongue about the savings in foods which electric refrigeration accomplishes, but for the most part you could talk about the refrigerator itself.

In selling electric ranges, the situation is just reversed. You have to sell the whole idea of electric cookery before you sell any one electric range. You have to make the housewife realize the time she's going to save, and consequently the more leisure she will have for other interests. You must make her realize the savings in food costs and in heating costs. You must show her, by demonstration if necessary, how electric cookery actually does improve the flavor of meals. You must convince her that her kitchen will be a cooler, pleasanter place to work in if she buys an electric range.

I think that if you will change your whole approach to the problem you will have vastly better success. Learn all the mechanical features, certainly; be able to show prospects how they can set the oven regulator at the proper temperature, and then go away and leave the meal on the range without any worries about how it will turn out. Be able to demonstrate in such a way that the prospect will see how food wastes may be eliminated. Talk, in other words, the advantages of the art of electric cookery rather than the advantages of your particular type of construction.

And above everything else, be specific. When talking of costs, say, "A recent survey in all parts of the country shows that electric ranges use an average of $4.50 worth of electricity a month. This is only one cent a meal per person, for a family of five. So you see, electric cooking isn't expensive."

When talking of time-saving, say, "Almost every woman spends at least ten minutes a day scouring pans which have been covered

As IN *selling everything else, Mr. Willman declares, there's a right way of selling electric ranges, and then there's a wrong way. The wrong way, usually, is to talk in general terms about the construction features of some particular make of electric range before first selling the whole idea of electric cookery. Housewives aren't interested in electric ranges as such, but they are interested in what an electric range will do*

THE *salesman who is successful in electric range selling is the one who knows enough about electric cookery to convince the prospect that she will save time and food by using an electric range, that her kitchen will be a cooler, more comfortable place to work in, that she will have more leisure for other interests, and that she can go away and leave her meals cooking on the range with nothing to worry about*

with soot and stains from flame type stoves. Ten minutes a day is sixty hours a year—a solid week each year is the time you save just in scouring. Then there is no dust, soot, smoke or grime to spoil the walls and ceiling of your kitchen when there's an electric range. The saving in the cost of frequent repainting, and the saving in the time of cleaning, is an important item. But, of course, the big factor is the bright, clean, cheery kitchen.

As in selling almost everything else, there's a right way to sell electric ranges, and there's a wrong way, and it looks as though you've been using the wrong one.

Inflation Hedges

(Continued from page 7)

bonds. We have a record of the growth in bank holdings of government bonds in the United States since 1930. It looks like three large "steps" toward inflation in the last four years. The first two were from fifteen to eighteen months long, with about a billion-dollar rise between. The third has steepened up sharply and shortened the tempo of rise. To those who are sure inflation is coming soon, here is the "proof." But note that we had a bank crisis and a severe deflation of prices on the "tread" of the second step in 1932. Apparently such steps may lead to inflation, or may lead to the deflation which precedes further inflation. Banks represented in the chart account for less than half the total for the nation. But with these now holding three times their normal quota of government bonds, and fast approaching eight billion dollars worth of such "paper," it becomes quite clear that (a) if the price of government bonds should suddenly drop for some reason, it could shrink bank assets so quickly as to jeopardize their capital—causing another run on the banks and an actual deflation of business and prices; or (b) if the rising government debt should first register in popular fear for the dollar (after billions of further spending without progress toward recovery) these same facts might result in people pulling their money, not to hoard, but to spend, and thus a real launching of inflation would take place.

Business men and investors, therefore, who are wise, will continue to prepare for both inflation and deflation, and I believe they will do this best by simple, determined attention to policies that are sound in most kinds of business weather.

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Grimes of the I. G. A.

(Continued from page 13)

buy everything the family eats, including bread and milk, at prices comparable to prices charged in chain stores for merchandise of similar quality. Such a store should sell for cash, should be well located, should operate a modern and thoroughgoing accounting and inventory system, and should undertake frequent drives to sell vast quantities of food products which have been advantageously purchased and supplied to them by the IGA supply depots, as he terms his wholesalers.

The whole IGA story is too big for one article in this magazine. More of it will be told in March, when a detailed account of the merchandising plans and methods of the IGA wholesalers and retailers will be published. Before anyone can properly appreciate the importance of the Grimes and IGA methods it is necessary to understand the influences behind the movement, and the truly revolutionary changes that have resulted from the so-called volunteer chain development. Had the IGA plan been a failure it is possible that the whole volunteer chain movement would have gone the way of the "phone for food" movement. Grimes is the first and most successful operator who has seen that no one cause was behind the rapid growth of the chains and the rapid decrease of volume sold by the independents.

Others have started volunteer chains where the grocer put up a new sign, repainted his store and offered a few weekly specials, supposed to compete with the chains. But their credit methods were not improved, their sales volume per salesman was not materially increased. Others banked everything on special prices on advertised goods, commonly featured at cut prices by the chains. All these things helped keep the independents afloat. But they were carrying water in a strainer. The leaks of poor management in the average independent store were so great that nothing short of a complete new start could remedy matters.

Since his development of a complete line of groceries under the IGA label, Grimes, many people claim, has not been friendly to advertised brands. He is frank to say that the 600 items now sold under the IGA label receive preferred attention by all IGA wholesalers, but quick to point out that IGA stores still sell vast quantities of nationally-advertised brands. He will tell you of selling 75 carloads of one advertised item of grocery merchandise at one meeting of his wholesalers. But he will be vague about the service fees charged the manufacturers for this pushing of a manufacturer's brand. So far this magazine has been unable to obtain any detailed information concerning IGA charges for "merchandising service" to manufacturers who want their products pushed in IGA stores. But it is claimed that the fees charged amount to less than it would cost the manufacturer to obtain the same volume in any other manner.

Tugwell's New Attack on the Profit System

(Continued from page 28)

In other words, it is not necessary to comprehend all of the higher mysteries of speculative philosophy in order to live successfully and without reproach.

Business, I think, could very well take unto itself that doctrine today, and proceed on the basis of the things that it does understand; letting the higher mysteries take care of themselves. The job that is first and foremost is that of restoring a reasonable measure of economic security and self-reliance: The job of recovery, in other words. When that is done it will be time enough to perplex ourselves with speculative philosophies.

Right now, too many business men that I know (and I think the condition is general) are doubtful and hesitant about applying the understanding they have concerning their own practical affairs, because they are perplexed and even bewildered by the higher mysteries of social and economic regeneration. They do not doubt that the worst at least of the depression is over, and that the tide has definitely turned. They understand perfectly well how to go about the business of recovery, so far as their own sphere of action is concerned. Many of them have definite plans before them for advertising and sales promotion activities that are awaiting only the final decision to go ahead. They are good, sound, comprehensive plans which unquestionably would produce results, and eventually no doubt they will be put into effect. Right now, however, they are hanging fire, and continue to exist merely on paper. It is not impossible, I think, that the remains of the depression could be mopped up within the next six months, or even less perhaps, if business could only be persuaded to damn the torpedoes and go ahead.

What is holding us back? Very largely the state of mind which I have tried to visualize. Too many business men are perplexed by vague and often subconscious suspicions that there is something fundamentally "wrong" about their plans and policies. They have been listening for the past five years to the babble of confused tongues prophesying new systems of economic and social salvation. *Laissez faire* has been discredited and buried; capitalism has been doomed; the competitive system has been outmoded as savage and ruthless and conscienceless; the "profit motive" condemned as the tool of injustice and selfishness. The knowledge that the business man has gained through past experience has for the most part been turned to his reproach. His methods and his plans and his purposes have all been shown to be fundamentally wrong, being based upon a system which has "failed," and which must be rebuilt according to new and enlightened specifications.

It is true, of course, that the specifications of the new dispensations do not by any means harmonize. But the new architects all agree on one point at least—that the old methods and systems are gone forever.

It is all confused and uncertain. The various schemes for social and economic regeneration are as hard to grasp and hard to reconcile as the intangible theories of rival theologians. But they do create an atmosphere of doubt and indecision in which the conscientious business man with a sense of social obligation finds himself somewhat at a loss. In the effort to reconcile his own plans and purposes with this, that or the other exponent of the higher idealism, he merely becomes involved in a maze of academic argument, and ends, for the time being, in doing nothing.

Maybe capitalism is "doomed," but such progress as we have made out of the pit of depression has been made by capitalists. The competitive system may possibly be outmoded, but it still remains the only system that we have. If it has "failed," and failed repeatedly, it has also succeeded in raising the general standards of human comfort and well-being to levels that would have seemed incredible a hundred, or even fifty years ago. It is furthermore the system that we understand, and the only system that we do understand. No business man needs to apologize for applying his knowledge and understanding to the solution of his current problems, whether he can succeed in harmonizing his activities with current academic speculation or not.

On the whole, there appears to be something decidedly sour about the premise from which the capitalistic and competitive system is attacked; namely, that it has broken down through lack of a "planned economy." The increasing and cumulative discrepancy between productive capacity and consuming power visualized by the theorists as a result of technological progress and high-pressure selling turns out to be moonshine. In this connection, Professor Gustav Cassel of Stockholm, an economist of international reputation, presents some extremely pertinent figures. I quote from a translation of an article in the *Svenska Dagbladet*, entitled "Collapsing Dogmas":

"During the thirty-year period from 1899 to 1929 the American manufacturing industries increased the number of their workmen by about 3,500,000. In per cent this means an increase of almost two-thirds . . . Naturally there have been fluctuations and it has been especially noticeable that after an abnormally great increase there has followed a reduction. But the common notion that the manufac-

turing industry, thanks to a continuous rationalization and the measures connected with it to save labor power, must necessarily and continuously repel working men is shown to be unfounded so far as the United States is concerned. As a matter of fact, the manufacturing industries have been able to take on annually, on the average, considerably more than 100,000 working men a year, which certainly must be recognized as a decidedly admirable achievement.

"The productive capacity has been estimated to have increased from 100 to 189.7 for each worker. A very decided increase in the productive efficiency has therefore been achieved. Together with the increase in the number of workers this gain in efficiency has brought about an increase in the total production, measured as 'increase in value by manufacturing' from 100 to 311.4. The resulting production has therefore been more than trebled during the above period, and the manufacturing industry has thereby made a handsome contribution, not only to the support of a rapidly increasing population, but also to an improvement in the standard of living.

"Figured by the year the number of workers has increased by 1.67 per cent and the production per worker by 2.16 per cent. Consequently, there has been achieved an annual gain in production of 3.86 per cent. This figure probably corresponds very closely to the general speed of progress of the American social economy, but exceeds very decidedly the average rate of progress in the Occidental countries."

Professor Cassel agrees with the recent findings of the Brookmire Institution that, so far from indicating an overexpansion of productive capacity, the figures show that at the height of the boom the world supply of goods "was entirely too scanty to enable the people to live at what is nowadays considered a decent human standard."

"The actual facts," he says, "give not the slightest support to the contention that the world crisis reveals the worthlessness of the capitalistic system of production. The only possible solution of the great social problem is that production be permitted to develop at the pace it followed before the world crisis. By cutting down production, stopping the exchange of goods and putting enterprise under guardians we shall never create any prosperity . . . We must again begin a strong increase in production, preferably at the pace set by America before the crisis, and we must steadily go ahead along that line in the assurance that this is our only possibility to fill even approximately the demand of the future."

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New Deal Labor Policies

(Continued from page 26)

to labor's contention that it was entitled to a larger share of the profits. But while these men wanted to see labor encouraged, there was a general feeling that the coddling which it was receiving from certain government agencies was not only unfair to employers but was definitely harmful to business recovery. "An entire change in present policies," said the vice president of a stove manufacturing plant in Tennessee, "and a complete break from the American Federation of Labor, would do more to settle the present state of fear in the minds of manufacturers than any other single act the government might propose."

A manufacturer of pipe organs in Maryland expressed himself this way on the labor union phase of industrial relations: "We outstandingly favor the compulsory incorporation of labor organizations, which would eliminate the present guerrilla warfare in labor. Industry must supply a background which entitles it to sue or to be sued, and to be responsible to all governments and to society. Industry must report to state and government authorities of its every act, even to how it distributes its income. Organized labor does none of those things, has no responsibility for damage caused, ignores governmental authority, and does not fight fairly. It presumes to deprive of a livelihood a man who chooses to think differently and wishes to work out his own life. He must pay tribute to the leaders or become an object of public charity, and he and his family subject to unmentionable vilification. Every statesman in America realizes the above to be true but fears the vote. If there is one place where public sentiment should be aroused now, that seemingly would attract most attention, and might solve a lot of code evils."

There was a strong undercurrent running through most of the replies, excepting those from the old school of employers, that while the government's labor policy was a long way from perfect, it was trying to do the best it could to keep peace and to promote long-range prosperity. This viewpoint was summed up neatly by Roland Brown, secretary of the Tremco Paint Manufacturing Company of Cleveland: "We feel the government is doing a pretty fair job under very difficult circumstances. It is often wrong, but on the whole doing as well as can be expected and entitled to encouragement. The government is in the position of a man trying to stop a fight between another man and the latter's wife —they both turn on the would-be

peacemaker which is what we do."

The whole labor situation and its effect on recovery has been pretty well summed up by Walter Lippmann in this conclusion: "The country must make up its mind whether it believes in the theory of the U. F. of L. concerning the high hourly wage rate and the theory of big business concerning the high unit price. These two theories are both monopolistic, and the great question is whether we wish by federal law to confirm the monopolies or to break them up. If we confirm them, one of two things must happen: Either we must resign ourselves to a chronic depression and a large army of permanently unemployed who cannot find work at high hourly rates because the public cannot pay the prices that are established by high costs and by monopolistic prices, or we must prepare to inflate other prices until they catch up with these high costs and high prices."

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More Profits Through Order Analysis

(Continued from page 35)

important, it is possible to do without them. But it is not possible to get along for long without profits, and the information mentioned above has such a direct relation to profits that it is worth any reasonable expense to obtain it *promptly*. Stale statistics, like stale beer, are of very little value to anyone.

The question next arises: How can we get this information? The answer, of course, is by some systematic method of analyzing each order when it comes into the sales department, tabulating the data in such a way that any required facts can be *quickly* and inexpensively obtained. There are three commonly-used methods for doing this. The first is by means of punched cards and the use of tabulating machines, which may be either leased or purchased outright. In some cities there are concerns which have this equipment and will do your work for a fee, if you do not care to install equipment of your own. The second method is by means of order registers which operate like a cash register, each order being "rung up" as it passes through the order department and the needed facts taken off in the machine. This type of equipment is limited to the number of items in the line that it can analyze. The third method is by means of a peg board and a calculating machine. This is the most simple method of cost analysis and is widely used in businesses of medium size.

There are other methods of sales analysis, but these are the more commonly used. Instead of going into detail describing the various equipment, we will describe briefly a few of the applications of the equipment in medium-sized sales departments. The machine specifications can be obtained by writing to the manufacturers, most of whom have branch offices in near-by cities and will be glad to demonstrate their equipment and help a business man develop a system fitted to the peculiar requirements of his business.

A book publisher selling fifteen products through thirty salesmen wanted to know the sales volume and the cost of sales for each one of his salesmen by commodities. He did not have much money to spend for making the analysis, and the relatively small number of products seemed to lend itself to the peg-board method. The peg board used had one peg for each salesman. Printed sales analysis slips were prepared, similar to those shown in the accompanying illustration, with a numbered line for each product. These slips were carried on the peg board in such a way that when the slips are shingled, the board becomes, in effect, a flexible spread sheet. Cross-column additions are quickly made with the aid of a computing or calculating machine and a T-square which moves across columns at right angles to the side of the board. The slips on the board are posted from extra copies of orders made on the copying machine. (See article "Speeding the Order Through the Office" in January issue of AMERICAN BUSINESS.) At the end of the month these analysis copies are sorted by salesmen and totaled for a quick report to the sales manager. This total is also used as a control figure in making the detailed sales analysis.

A detailed analysis is made by posting sales by items on each slip. Each slip carries the code number of the salesman. The numbers representing the products run down the center of the slip, with space to the left for amount of sales, and space to the right for cost of sales. The unit cost for the fifteen products is predetermined and tables are compiled on a visible card record for use of the operator. This record shows the total cost in varying numbers of units.

The items are then picked off the invoices, keeping each salesman's separate, using the left-hand side of a twelve-column calculating machine for the sales figures, and the right-hand column for the cost figures. The total accumulated figures are copied to the strip in the space opposite that particular product number. The resulting strips are next shingled on the peg board, overlapping one another in such a way that the operator cross-adds for the total sales by products, reshingles and cross-adds for

the total cost of sales by products.

Still another method of simple sales analysis, in cases where there is a limited "line" of products, is to "ring up" each order on an accounting machine of the cash register type. Recent developments in this type of equipment make it possible to carry as many as twenty-seven separate totals and three grand totals. Further detailed analysis is possible by sorting the tickets which the machine prints and issues for each sales transaction. The machine prints on each ticket the date, serial number, description, symbol of total used and the amount. A receptacle is provided which stacks the tickets in numerical order as they are issued by the machine. Removable indexes on the machine permit classification changes. This type of machine is widely used in a number of lines of business where different rates of commission are paid on various groups of products, or where a monthly bonus is paid to salesmen over and above a definite sales volume.

Perhaps the most generally-used method of analyzing sales, especially when there are a large number of salesmen or a large number of products, is the tabulating machine. There are two types of this equipment on the market. In both systems the information required for the analysis is punched onto cards, one card for each sales transaction. The machine sorts the cards automatically. It is possible, by means of mechanical-sorter equipment to get the details on any given salesman's operations, sales to any town or customer in a salesman's territory. Sales costs by territories, products and customers are obtained in the same way. In addition to measuring the effectiveness of a given sales activity numerous other sales control data can be quickly taken from the cards, such as an analysis of the terms of sale; the class of trade sold; the number of various sized orders, etc.

While the above described systems call for the use of mechanical equipment, it must be borne in mind that it is all equipment which can be used for other purposes as well as sales analysis. For example, an accounting machine of the type just mentioned (not to be confused with a bookkeeping machine) may be used for pay roll and labor distribution, for inventory records, for vouchers, for a cash record and the general distribution of all forms of expense. We found in nearly every instance that subscribers who had installed such equipment to analyze sales, soon found other uses for it aside from sales operations.

For that reason, those in charge of sales need have no hesitancy in initiating the installation of adequate mechanical equipment to provide them with all the figures needed to control sales efficiently. Most companies making such equipment have experts who will gladly make a survey of your business, and tell you exactly what savings can be effected, not only in compiling sales data, but in other operations as well. You will probably be agreeably surprised at the number of manual operations now being performed in your business which can be speeded up at a considerable net saving, by the use of modern accounting machinery.

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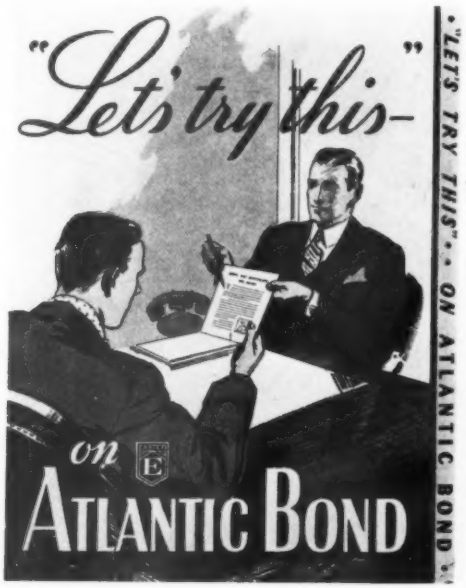
Is Retailing the Neck of the Bottle?

(Continued from page 20)

of men, we carry on schools for retailers and their service men. That training doesn't only apply to the product itself but has to do with every phase of it even to getting retail orders. The talking motion pictures, we are pioneers in that respect. We showed our pictures to over two million people last year, in high schools, lodges, clubs, all with the idea of helping this retailer to keep free and open channels of selling. Literature going into the minutest detail is furnished for that express purpose.

Here's a retailer selling in Oscaloosa, Iowa. We have created this wonderful automobile at a favorably low price, we have manufactured it as best we know how; we shipped it out there with literature, and it stands on the floor at Oscaloosa. A man comes along and is interested in buying. If the retail salesman doesn't understand how to get that order, that is felt on our production line, therefore, it becomes the job of the retailer, and ours as well, to see that the retail salesman learns and knows how. We are going after that phase of our business because we recognize the retailer is the neck of the bottle and as he succeeds, so do we succeed and no faster.

We have a league called Plymouth Salesmen's League, recognizing the retail salesman. We get out a sales idea once a week. The retailer salesman—that is by far the majority—isn't the student that you would like to have him be. A great many things are thrown at him, but we have reduced it to *one idea* a week, an idea that is practical, the experience of some salesman in the United States having made a sale and how he made it—a practical suggestion for the members of this League. They have also the privilege of being recognized nationally. Every once in a while we select one of these salesmen, carefully train him in all phases of the work and start him on the way to a better job.



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The PEPPER POT

THERE is a story going the rounds about the late John R. Lee of Dodge Brothers during the time he sold steel. Lee had difficulty in getting an interview with John Dodge. Somebody told him that Mr. Dodge liked peanuts. From another source he learned that Mr. Dodge worked quite late, often until seven o'clock. John Lee knew that a man begins to get hungry after six, so he planted himself just outside of Mr. Dodge's office door with a pound bag of freshly roasted peanuts. Then he set to work shucking peanuts with maximum noise and gusto. For about an hour he shucked and ate peanuts. Finally the peanut aroma became too much for Mr. Dodge. He opened the door to demand: "Who in h----- is eating peanuts around here?" "Wouldn't you like to try some?" replied Mr. Lee. Mr. Dodge capitulated, and thus began a friendship which not only led to a lot of business for Salesman Lee's company, but eventually landed him a job in the Dodge organization.

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A subscriber who disagrees with James Mangan's formula for bringing people to the door by bell-ringing and window-rapping is J. H. Bortz, of Mount Airy, Philadelphia, who thinks that any salesmen resorting to such devices would get kicked off the place. Here is Mr. Bortz's contention:

"Referring to the article 'The Best Prospects Are Those Other Salesmen Skip,' in AMERICAN BUSINESS, where Mr. Mangan stresses persistence in ringing the door bell, jiggling it, rapping on the basement window, going round to the back door, we consider very bad advice.

"A new canvasser will soon learn, if he does not get kicked off the place for such annoyance, and does succeed in having the door opened, that he has set up such an antagonistic feeling in the prospect that he could not get the opportunity to present his proposition.

"It seems no person with experience in house-to-house selling would for a moment think to first irritate a prospect and then try to sell him. Many things must be taken into consideration: sickness, children, and any number of other reasons to prevent a person going to the door every time the bell rings.

"There are few persons who will not open up when it is convenient to do so. There are many other ways to contact the 'never-at-homes,' than by blunt, persistent bell-ringing and window-rapping."

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As might be expected—or at least as the editors expected—the first issue of AMERICAN BUSINESS in its new size and magnificence elicited a number of favorable comments. H. J. Cocking, advertising manager of the Quaker City Rubber Company in Philadelphia, had this to say about it: "This magazine, in my opinion, has the earmarks of some worth-while reading.

I have been especially well pleased with the article, 'Customer Relations, a Better Letters Clinic for the Average Business.' To me this is most interesting and educating, and I hope many future articles will confirm this opinion. Please see that the magazine is sent to me personally." And from almost the other side of the business field as well, came a letter from C. E. Weaks, secretary of the publishing department of the General Conference of Seventh Day Adventists at Tacoma Park, Washington, D. C. Mr. Weaks wrote, "I picked up a copy of your magazine AMERICAN BUSINESS, and have placed a yearly subscription for it. It is by far the best magazine of its kind I have ever seen."

●

R. F. LOVEJOY, of the firm of D. Lovejoy and Son, Inc., Lowell, Massachusetts, liked our Government-in-Business investigation so well that he suggests sending copies to all the legislators in Washington. Here is what he said: ". . . The article in question is extremely illuminating, and the writer feels personally that it should be reprinted and sent to every senator and every representative in Washington, accompanied by a letter requesting that the senator or representative do the American public the courtesy of reading it. We know we would be very willing ourselves to send it to our representative at Washington from this district and to the two senators from Massachusetts if it were reprinted, and we believe you would find many others; in fact, we think that no doubt there are business men in every state of the Union who answered that questionnaire of yours who would be glad, if you reprinted that article, to see to it that it reached their senators and representatives.

"Unless business reorganizes and puts up some facts to the present administration we are fearful as to what will be done, because the truth is never told by the politician."

If It's Action You Want—

THE days of "order takers" are over. This goes for displays as well as salesmen. SCENE-IN-ACTION DISPLAYS are on the job every hour of the day and night with ACTION, COLOR, LIGHT. They get attention. They drive home their message. They get results. That's why the leaders of American business have turned to this method of solving their Point of Purchase problems. Let us tell you how SCENE-IN-ACTION will step up your business.

SCENE-IN-ACTION ADVERTISING COMPANY
1800 INDIANA AVE., CHICAGO, ILL.

Better Letters Bring Better Results

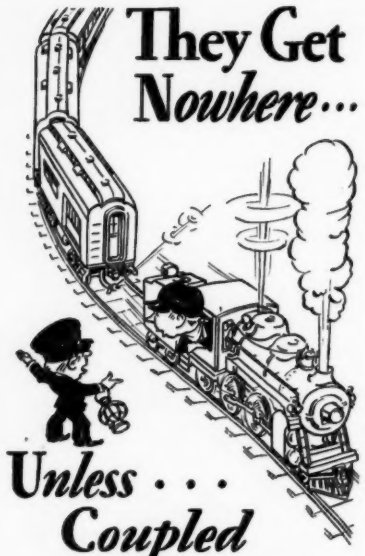
WHAT impression do your letters make on your customers? Are they just ordinary, dull business letters or do they breathe and radiate good will and friendliness? Do they sell something or do they just say something?

Dartnell has developed a thoroughgoing Better Letters Program for printers and their customers. It is the work of Cameron McPherson in collaboration with men who have achieved outstanding success in selling by mail.

The basis of the program is 52 four-page bulletins. Each bulletin constructively criticizes an actual letter, and brings out by concrete example one of the 52 fundamentals which underlie successful business letters.

Complete Better Letters Program—Letter Testing Chart with 52 Better Letters Bulletins—On Approval, $7.50

THE DARTNELL CORPORATION
4660 RAVENSWOOD AVENUE, CHICAGO



Letters and Catalogs are likely to get "nowhere" too, unless mailed together in Du-Plex two-compartment envelopes. Then they arrive together—and "sell" together. The old-fashioned "under separate cover" method has lost many a sale. Business moves fast—and competitors work fast. It's up to you to be on the job . . . the Du-Plex Mailing Method insures this sales strategy.

There's Economy, Too!

Only one mailing operation is needed when the Du-Plex Method is used. One addressing saves time, too. If window type envelopes are used, NO ADDRESSING at all is required on the envelopes.

—and a Dozen Daily Uses!

When letters must accompany proofs, calendars, bulletins, photographs, charts, blueprints, samples and advertising literature of all kinds—use the Du-Plex labor-saving, money-saving method. Write for samples and prices, today.

Du-Plex
Mailing Systems
FOR MORE SALES THROUGH THE MAILS
DU-PLEX ONVELOPE CORPORATION
CHICAGO • NEW YORK CITY

The Other Fellow's BUSINESS

•

This Recovery Program Worked

•

By ALBERT A. HANSEN, President
Bear Photo Finishing Service
San Francisco, California

WE ARE a small business with three plants located at San Francisco, Oakland and Stockton, California, and employ now about one hundred people.

Furthermore, we are part of a nonessential industry, the developing and printing of amateur films, a process known technically as photo finishing. Certainly during times of economic stress the taking of snapshots for pleasure—the basis of our business—is hardly a necessity. So in common with all nonessential businesses we have taken a terrific drop in volume, a drop of over 40 per cent below normal. But with it all we have continued discounting our bills, we have retained every employee dependent on the job for a living and we have cut salaries only 10 per cent over the high level of 1929. And the decreased cost of living in the meantime more than made up for the cut.

The tide of depression did not actually reach the west coast until 1930, when we began to realize that we were drifting into the red and something radical had to be done if we were to weather the storm. Definite plans for meeting the emergency were made as follows:

1. We made a survey of the economic position of our employees (mostly females) and every woman who had a husband or other relative supporting her was laid off indefinitely. Those who remained—the ones absolutely dependent on their jobs for a livelihood—thoroughly agreed with this policy.

2. Due to a decreased volume of work, it was practical to double up on certain jobs. This was done in a number of instances with thoroughly satisfactory results.

3. All who remained received a 10 per cent cut in salary.

4. New business promotion projects were developed (an exhibition enlargement contest, a dealers' sales contest, a school for dealers, attractive new specials in the current price field were offered, a new camera sales plan was formulated, photographic Christmas cards were originated, etc.).

5. We advertised more and with increased effectiveness.

6. Many forms of waste previously thought unimportant were eliminated. In this we received the effective cooperation of our employees when the idea was fostered that every penny saved meant that much more for salaries.

Certainly, there is nothing particularly brilliant about so simple a program, which represents noth-

ing more than ordinary common sense. But it worked—not that we have made spectacular profits during the depression, but we managed to keep our heads above water with no undue hardships on the part of our employees, while many in the same industry have been sunk forever.

Incidentally, we expect to emerge from the depression in better shape than we went into it—for the simple reason that we invested our profits of the fat years in real estate at bargain depression prices; we now own buildings in Oakland and San Francisco that we could not possibly have afforded at pre-depression prices. This has meant vastly decreased operating expenses since our former cramped, hired quarters did not permit straight line production, proper storage facilities and other economies that enlarged facilities allow. All of which has had a considerable influence on our ability to weather one of the severest economic storms in history. We simply tried to put into effect the well-known advice of big business—to buy when prices are low. But we have no intention of selling when prices are high since all our plans are built for permanent business.

●

A Quick Action Sales Plan

●

By C. A. VERSCHOOR, President
International Radio Corporation
Ann Arbor, Michigan

FOR the past two seasons we have attempted, through various plans, to lessen the time consumed by jobbers in introducing and acquainting their dealers with our new products. Being specialists in a highly competitive branch of the radio field in which our develop-

What About Salaries?

DARTNELL has just completed a two-year research of the salary incentive plans and compensation methods of more than 2,500 representative companies in 135 different lines of business. Full of suggestions and ideas for keeping pay-roll costs in line in any business large or small.

Among the 115 Reports and Bulletins

- Probable Influence of Inflation on Salaries
- Current Salaries Compared with 1929—42 Industries
- Influence of Company Earnings on Officers' Salaries
- Adjustments in Salesmen's Salaries—389 Companies
- Incentive and Bonus Plans for General Employees
- Management Bonus Plans of Representative Companies
- New Trends in Bonus Plans for Compensating Salesmen
- Salaries Paid to Chief Executives of 200 Companies
- How to Prepare a Manual of Employee Duties
- Branch Managers' and Agents' Compensation Agreements
- Salary Control Plans, Forms, and Systems—32 Companies
- Salary Incentive Plans for Department Managers

Price Complete with Binder, $11.85 Postpaid

SENT ON APPROVAL TO EXECUTIVES

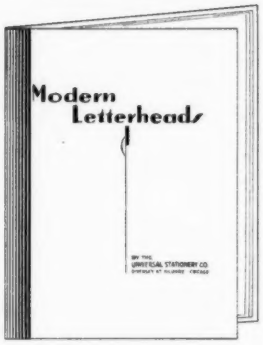
THE DARTNELL CORPORATION
4660 Ravenswood Avenue, Chicago
Send us for examination, subject to return for full credit, all reports, bulletins, etc., in the completed Dartnell Salary Survey. Arranged under tabs in reference binder. We will pass your invoice for $11.85 if we decide to keep the material.

Company.....
Individual..... Title.....
Address.....
(Send invoice to company unless otherwise requested)

Where Shall We Send Your

FREE COPY

of this NEW



Portfolio of Modern

LITHOGRAPHED LETTERHEADS?

Send for it today. Let us show you how to SAVE MONEY on Lithographed Letterheads and Advertising Material.

SPECIAL OFFER

If you are planning some new Advertising Material (a new circular, broadside, folder or other mailing piece) and would like the assistance of seasoned, sales-minded artists and layout men—write to us describing what you have in mind, or enclose rough layout. We'll be glad to submit our ideas and suggestions WITHOUT COST or OBLIGATION.

MAIL COUPON NOW

for Free Portfolio of Modern Lithographed Letterheads

(Merely Pin Coupon to Your Regular Business Letterhead)

UNIVERSAL LITHO & STATIONERY CO.

Diversey at Kildare Chicago

UNIVERSAL LITHO & STATIONERY CO.
DIVERSEY AT KILDARE, CHICAGO, ILL.

Gentlemen: Please send without cost or obligation your new Portfolio of Modern Lithographed Letterheads.

My Name Is.....

Company.....

Address.....

City..... State.....

☐ We are also interested in getting your ideas and suggestions for improving enclosed Advertising Material.

(If interested—please attach sample or rough layout)

ments have always been of an entirely original character, we have, for obvious reasons, found it necessary to withhold announcements of new products until the season is so far advanced that we can have, at least, the holiday market pretty much to ourselves. Therefore, every minute lost in getting our jobbers and dealers into high gear immediately following our announcement, represents to everyone just that much lost business.

Last year, as we realize now, we had the ideal solution of this problem. Concurrently with the announcement to our jobbers we mailed out 45,000 broadsides direct to the dealers and offered to mail an introductory sample of our Kadette Junior to any dealer, upon receipt of his check. The result was that while we were trying to sell the jobber and make stock shipments to him, at the same moment we were sampling his dealers, with no time lost whatsoever. Some 4,000 dealers responded within a week. The samples were shipped and the dealers were ready to buy even before the jobbers received their stocks. This threw our entire distributing organization into high gear without the loss of a moment.

However, several of our jobbers objected to the plan, especially those who wanted to take some time to make up their minds and were embarrassed by dealers actually ordering merchandise from them before the jobbers had placed orders with us. Jobbers insisted that we were using high-pressure selling while actually we were giving the dealer more than the usual time to inspect and test our new product.

Feeling that the jobbers were correct, this year we developed a new plan to give us much the same quick action but operating entirely through the jobber and as this plan dovetailed nicely with our thought of changes that must be made in the merchandising of compact radios we feel that the new plan is a happy solution. We designed what we call a "sales demonstration package" which contains, besides a sample of the new Kadette Junior, detailed announcement of our entire radio line and instructions on how the dealer can order quickly by mail several different assortments and thereby take full advantage of a waiting market. The dealer being anxious to test and inspect new types of radios without pressure of a salesman standing around waiting for a decision, invariably expresses his appreciation for the courtesy of having received the demonstration package unsolicited by mailing in a nice quantity order for all of the models.

These packages are delivered to our jobbers wrapped and labeled so all the jobber has to do is to go over his customer list and write the name and address on the package, mailing it for a few cents, along with an explanatory letter agreeing to send return postage in case the dealer is not interested. Jobbers unanimously have recognized that this scheme will do the work in a few hours which normally has taken their salesmen many days to accomplish, and it is anticipated that this method will greatly reduce the cost of sales.

Where the mailing of a sales demonstration package fits into our new idea of selling midgets this year we are devoting a great deal of effort to promote direct-mail selling of compact radios by our jobbers. Frankly, we believe that much of the curse of the compact radio, from the jobbers' standpoint, can easily be overcome by developing less expensive methods of selling them. We believe that jobbers must eventually use a different method for selling the extremely low-priced merchandise than is universally used for selling high-priced competitive lines.

I believe the public still demands low-priced compact radios and that all the "sell consoles" propaganda in the world is not going to change the demand of the public one iota. We recently made a survey of a large number of dealer stocks and in every one of these stocks, with hardly an exception, we found

many low-priced compact radios which the dealer was ordering from various small manufacturers, by mail. This business was being lost by the jobber and we thoroughly believe that if the radio jobber does not supply these compacts someone else is going to do it. Our problem then is to find a profitable method of selling standard, guaranteed merchandise to the dealer at a lower selling cost and at prices which will assure jobbers of retrieving their share of this business.

We have done much to solve the problem for the jobber by offering our low-priced radio sets in quantity assortments only where the unit sale is equal, or better, than when selling high-priced sets.

●

Small Orders

(Continued from page 23)

Taking a firm stand on small orders, enforcing some kind of fair pricing policy designed to reward reasonable buyers, may result in some lost business. But the profits from this loss are frequently less than the loss from indiscriminate acceptance of consumer-quantity orders from wholesale and retail customers.

In deciding on a strict small-order policy it must be remembered, in many lines of business, that repair parts, repairs, service material and supplies must frequently be excepted from any plan designed to limit small orders. The customer whose machine breaks down wants a new repair part and wants it immediately.

There's another factor in this small-order headache. That is the timid buyer whose business isn't profitable today, but who will, next year, be a profitable buyer. Most of your profitable customers today would have been scared away ten years ago, or even twenty years ago when they were small buyers, had a strict policy against small orders been in effect.

CAN you TEACH Salesmen to SELL?

YES—there are scholarly books on the subject—excellent schools with thorough courses—effective teachers!

BUT—How about the *application* of the *principles* taught to the job at hand?

THAT requires *drill, practice—application* of the principles to PERFECT the ART of SELLING!

Now the *coach* steps into the picture PERSONALLY. Would you like to know HOW—WHEN—WHERE—WHY and how much it costs?

WRITE—tell us how many salesmen you have, how they are paid, salary and/or commission, territory covered and any other information you think necessary to give a fair idea of your selling problem.

GEORGE L. WILLMAN
Sales and Advertising Plans
1478 Pure Oil Building, Chicago

SALES CONTESTS Get This Report FREE

A special report of a Dartnell sales method investigation covering "The Experience of 94 Companies with Cash and Merchandise for Sales Prizes," is available without charge to any executive planning a sales contest. This twenty-seven page report, compiled originally for the information of subscribers to the Dartnell Sales Service, was sold for three dollars a copy in past years.

Inventory disclosed a limited number still on hand. The copies will be distributed as long as they last to AMERICAN BUSINESS subscribers who want to see how ninety-four representative companies in varied lines have developed their sales contest rules and generally promoted their plans.

Cash vs. Merchandise Prizes

The report will be especially helpful to the executive who wishes to determine whether cash prizes or merchandise prizes are the best for his sales contest. Ask for report Number 308 and enclose ten cents in stamps to cover mailing.

Sales Contest Division

THE DARTNELL CORPORATION
4660 RAVENSWOOD AVENUE CHICAGO, ILL.

THIS SALES TOOL

is producing VOLUME and PROFIT

[*It takes a little gift sometimes to open closed doors*]

or

melt the barrier to a prospect's mind. Situations where a gift could be used properly may exist within your own company now. If so the Gits-NIFE is at your service.

THE *Gits-Nife*

is a useful little companion — so handy and unusual your prospect or customer will want to carry it with him constantly. *Every time it is used your imprinted name (or slogan) on the side of this knife smiles out at the user,* reminding him of your excellent products and the service you stand ready to render him.

[Write us to learn how companies with sales problems are using the Gits-NIFE as an effective unit in sales strategy.]

The Gits-NIFE is also available through reliable stationers.

GITS BROS. MFG. CO.
1857-62 S. Kilbourne Ave.,
CHICAGO

FREE TO EXECUTIVES. We will send a free sample GITS-NIFE to demonstrate its effectiveness as a sales tool. Write on company letterhead and please use your title.

FREE — *a survey of*

THE USE OF PRIZE PLANS FOR INCREASING SALES

WHAT has the use of prize plans and sales contests accomplished for other companies? What has been the experience of others as to the type of prize plans that are most effective? What is the cost of a campaign in relation to new business obtained? How are the most successful plans developed? What prize plans have been used to get maximum results from salesmen?

These questions and many others are answered in a special forty-page report covering a widespread investigation on "The Use of Prize Plans for Increasing Sales." Although the report formerly sold for three dollars, it is now available free of charge to any executive interested in planning a sales contest or prize plan. Send ten cents in stamps to cover mailing, and ask for report Number 274.

Sales Contest Department
THE DARTNELL CORPORATION
4660 RAVENSWOOD AVENUE
CHICAGO

SECURE PRESTIGE BY MAKING OUR offices your personal or business (New York) address. We represent you, receive mail, telegrams, telephone messages and you call, or we reforward to you (daily). $2.00 monthly. NEW YORK MAIL SERVICE, 210-5th Ave., or, 15 Park Row, New York.

Readers' Views on the Credit Problem

●

J. B. SMITH, Treasurer
Calaveras Cement Company
San Francisco, California

My idea of a good credit policy is to take a maximum amount of business with the minimum of loss. I do not feel that we have rejected many accounts on which the risk is reasonable. We have, in fact, nursed along several slow accounts and have managed, in some cases, to get them on a discount basis. Others are still chronically slow, and while there is, of course, a certain amount of risk connected with them, it is my feeling that credit should be extended as long as they do not appear to be headed for bankruptcy. On the other hand, we have this problem with some of our accounts, particularly dealers who have a considerable volume of business—if we are extending credit for 90 days, the risk runs into several thousand dollars and whenever a loss occurs it is apt to be a considerable one.

It seems to me that there is a middle ground between the safety-first policy and what might be termed uncontrolled credit granting, and that middle ground is the policy which we should follow, not only now but all the time—to take a reasonable amount of risk, but not to sell accounts which are actually so dangerous that the risk outweighs the apparent advantages.

●

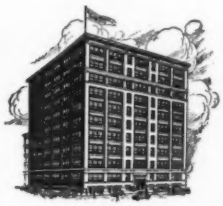
J. W. MEAKER
Manager-Secretary-Treasurer
Northern Kraft Association
Chicago, Illinois

I have read the credit article in AMERICAN BUSINESS. That part of it which relates to a more liberal credit policy as one that will bring

Printing

Catalogues • Publications • General Printing • Direct Mail Advertising

ARTISTS - COPYWRITERS - ENGRAVERS - ELECTROTYPERS - PLANNING - PHOTOGRAPHING



A LARGE, EFFICIENT AND COMPLETELY EQUIPPED PRINTING PLANT

•

DAY and NIGHT OPERATION

•

Printing *and* Advertising Counsellors

OUR SERVICES

TYPESETTING
(Linotype, Monotype and Hand)

PRESSWORK
(The Usual as well as Colors)

BINDING
(The Usual, Machine Gathering, Covering and Wireless Binding)

MAILING
(This Dept. is equipped to deliver to the post office or customers as fast as printed and bound)

ELECTROTYPING AND ENGRAVING
(Our facilities are up-to-date and can take care of any sized orders)

ADVERTISING SERVICE
(Planning, copywriting, designing, photographing and artwork)

OUR SPECIALTIES

Catalogues, Booklets, Publications, Trade Papers, Magazines, House Organs, Price Lists, Pamphlets, Proceedings, Directories, Histories, Books, Broadsides, Folders, Circulars, and General Printing

•

DEPENDABLE PRINTING

Business Methods and Financial Responsibility the Highest. Inquire of Credit Agency, Dun & Bradstreet, Inc., and First National Bank, Chicago, Ill.

•

Secure our proposal on your printing. Large and small orders solicited. Proposals made on all or any part of our services.

TO OUR PROSPECTIVE CUSTOMERS:

Our growing business which *comes from all parts of the United States* is because of satisfied customers. For your investigation further we will be pleased to furnish the names of well known firms who are our present customers. Consulting with us about your printing problems and asking for estimates does not place you under any obligation whatever.

Proper Quality - Quick Delivery - Right Price

PRINTING PRODUCTS CORPORATION

Telephone Wabash 3380 - All Departments *Established 1888* **Polk and La Salle Streets, Chicago, Ill.**

LUTHER C. ROGERS, Chairman Board Directors
A. R. SCHULZ, President and General Manager

EXECUTIVES:

J. W. HUTCHINSON, Vice Pres. and Sales Director
H. J. WHITCOMB, Vice President
W. E. FREELAND, Secretary and Treasurer

I'll show you how we make money with letters.

* *Facts in this strip taken from actual experience of large shoe manufacturer . . . name on request.* These experiences are being repeated in such progressive concerns as Pittsburgh Plate Glass Co., Schenley Products Co., Ditto, Inc., Montgomery Ward & Co., Gulf Oil Company and many others.

They have adopted Auto-typist to do their letter-writing work. It produces actual typewritten letters that look like dictated ones and produce ten times the results of "processed" letters.

Our trial plan permits you to test the idea of "making money with letters" before purchasing. Write for details on your business letterhead.

AMERICAN AUTOMATIC TYPEWRITER CO., 606 No. Carpenter St., Chicago, Ill.

WANTED

MIMEOGRAPHS ADDING MACHINES
MULTIGRAPHS DICTATING MACHINES
TYPEWRITERS ADDRESSING MACHINES

We pay cash and freight
Send for our free 80-page catalog
We will take your old machines in trade
Repair and Overhaul

Completely Rebuilt Office Machines at 25% to 50% Less

Our rebuilt machines are thoroughly dismantled, renickled — re-enameled parts replaced with new. They *look*, *work* and are *guaranteed* like brand new machines.

Supplies, too, at a saving

Pruitt INC.
150 N. LaSalle Street, Chicago
World's Largest Rebuilders of Office Machines for 20 years

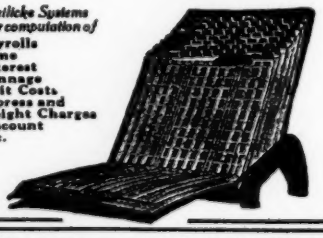
She CAN'T POSSIBLY Make a Mistake in Figuring!

With a Meilicke Time or Piecework Calculator at hand, you need never depend on your bookkeeper's accuracy at figures for insurance against error in making up payrolls. For each employe's pay envelope is already worked out; the only thing necessary is to open the Calculator to the table showing the scale of each individual's wages, and note the amount coming to him.

There's a Meilicke System to fit *every* industrial requirement. Write today—on your business letterhead—for descriptive literature and prices.

Meilicke
Time Saving Devices

Meilicke Systems cover computation of
Payrolls
Time
Interest
Tonnage
Unit Costs
Express and Freight Charges
Discount
Etc.



Meilicke Systems, Inc., 3462 N. Clark St. Chicago, Ill.

enough more business to offset increased credit losses many times over, is one that I have advocated for many years. I think your article is very sound and it has given me much pleasure to read it.

●

H. N. FISCH, Sales Manager
H. J. Justin and Sons, Inc.
Fort Worth, Texas

We, of this firm, and the writer personally, do not favor long time credit, and the evidence that you offer of this having been the practice in years past is not backed by actual change in conditions. By this we mean that the attitude of the American people toward their indebtedness has undergone a considerable change in these past years. Ten to twenty years ago, when merchandise was sold on long time credit—three to six months and even longer—what was the bankruptcy rate as compared to the rate today? In those days it was thought that only a man engaged in the mercantile business or similar business could take the bankruptcy law, and when he did, it was a disgrace. Individual bankruptcies were virtually unknown. Look at the records today of individual bankruptcies, farmers, cattlemen, even laborers, avoid payment of their debts by resorting to the bankruptcy, and in the mercantile business it has become virtually a racket.

It is my opinion that as long as our bankruptcy laws remain in their present condition the shorter the terms, the better for the wholesaler. When the bill has not been paid promptly, he can immediately investigate; whereas, on long terms, many things can happen before the bill ever becomes due.

This might lead you to believe that I was under the impression that a great majority of merchants were dishonest, which is not the fact and which I must admit is borne out by Dun & Bradstreet records showing that only a very small per cent of the failures are due to dishonesty. Yet, I believe that long terms would invite a good deal more failures and bankruptcies which are detrimental, not only because of the tremendous losses that American business suffers from the direct losses, but also the hardship it creates on legitimate dealers in a locality where a bankruptcy has occurred or where a compromise settlement has been made, permitting this merchant to offer his goods at such a greatly reduced price as, in many instances, to result in disaster to other merchants in the same locality.

●

Shamrocks and Orders

(Continued from page 37)

respond, just as we all respond, to a human-interest appeal. And one of the easiest and most effective ways of rekindling their interest and facing them forward again is to make their job interesting by making it possible for them to participate in interesting activities such as have been suggested here, and such as will be suggested in subsequent articles on special campaigns which are scheduled to appear in AMERICAN BUSINESS throughout 1935.

If you have been sending your salesmen drab, matter-of-fact bulletins, if you have been depending upon them to refire their own interest in their work, try being different. Try something unusual. Dramatize the commonplace and give them a thrill for a change. Shamrock time is as good a time as any to begin. They have a lot in common—shamrocks and orders.

TRAVEL NOTES

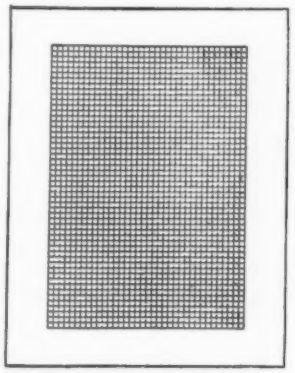
YOU simply must get out to California this summer, if for no other reason than to take in the California-Pacific International Exposition at San Diego. It will run from May 29 to November 11. One of the high spots of this exhibition, as they prefer to call it in England, will be the Ford Motor Company's showing. Five hundred acres have been set aside in Balboa Park for the Ford exhibit, which will be housed in a permanent building. But aside from the San Diego show, business is looking up on the Pacific Coast. An official of one of the Chicago insurance companies, just back from a tour of his agencies in Southern California, reports they are doing a very satisfactory business after a three-year order drought. So Southern California might be a good spot for some concentrated sales energy this summer. And here is a tip. If you are going to spend some money for advertising out there, talk it over with one of the local advertising agencies in San Francisco. It is quite important to get the local viewpoint before launching an advertising drive in that territory, in spite of the fact that your Eastern advertising agency will tell you they know more about California's buying habits than the native sons.

How to Pay for a Trip

ANOTHER thing about getting Pacific Coast business: You can save some real money by routing the salesman you select to cover that territory by bus. Stop-overs may be obtained at any likely point en route, which makes it possible for a salesman to "sell" his way to the coast. One subscriber who did this last fall picked up $3,700 worth of extra business by traveling on that basis.

Pennsy Aims at World's Record

IF THE railroads are going to die, as some contend, at least they are going to die with their boots on. The Pennsylvania Railroad is laying plans for better than a mile-a-minute schedule on its newly-electrified New York and Washington trackage. Giant streamlined locomotives are scheduled to make the run of 250 miles in 210 minutes. The present fastest schedule is four and one-half hours. If the Pennsy succeeds in establishing and maintaining a three and one-quarter hour schedule it will win the world's record for the fastest scheduled passenger run, now held by the Royal Scot between Edinburgh and London.



CHARTING PAPER—To show sales, costs, quotas, advertising results, etc., by days, weeks, months and years by salesmen, branches or products. Send for charting paper catalog.

MAP MARKING DEVICES—Show Routes, Territories, Dealers, Customers, Prospects, etc. Sixteen standard colors, over thirty styles—sharp needle points. Any shape or style furnished. Send for color sheet.

EDUCATIONAL EXHIBITION CO.
Room 308, Daniels Bldg.
PROVIDENCE, R. I.

BROOKMIRE BULLETINS

will help you to keep posted on the trend of security prices and economic conditions and will guide you in your stock and bond investments. They are timely and specific in their opinion and comment.

We shall gladly send you a copy of Brookmire Counselor without charge. Request Bulletin No. 33-C.

BROOKMIRE
CORPORATION
551 Fifth Avenue New York
Founded 1904

Safe S Way
LINES

28 HOUR Service between NEW YORK and CHICAGO

Compare the Costs!

If traveling expenses are a worrisome item in your budget for 1935 ... and they're bound to be if you are going out after business in the intensive way necessary this year ... "take a look at the record" of transportation costs between New York and Chicago.

via SAFEWAY		*via* OTHER TYPE TRANSPORTATION	
Fare, one way	$13.00	Fare, one way	$32.70
Meals	2.00	Meals	3.00
		Pullman, lower	9.00
	$15.00	Tips	.50
			$45.20

SafeWay Limiteds—speedy, comfortable, safe—run between New York and Chicago on a dependable schedule of 28 hours. Almost as fast as average trains—from 5 to 9 hours faster than other highway transportation.

Every passenger has his own, specially reserved seat all the way; is provided with a soft pillow in a fresh-laundered slip; can adjust his reclining sleeper chair to four easy-riding positions; is secure in the care of specially trained, long-experienced drivers who have hung up the enviable safety record of 250 million passenger miles operation without a single serious accident to a rider.

If you cover the territory between New York and Chicago—including Pittsburgh, Akron, Cleveland, Toledo and Detroit—you can save money and preserve the morale of your traveling employees by routing them via SafeWay. For complete information, and cooperation in arranging your routes to take advantage of the economical travelway offered by SafeWay and connecting lines, send the coupon at once.

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LINES
GENERAL OFFICES
2520 S. Wabash Ave.
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AT YOUR SERVICE

...just WRITE

We will be glad to furnish you with complete information regarding SafeWay service, and service on connecting lines, upon receipt of your request. Have your secretary fill in and mail the coupon now.

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SAFEWAY LINES
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Please send me all data about SafeWay transportation service, and show me how we can use it to lower 1935 selling costs.

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U. P. Cuts Meal Costs

ANOTHER break for the business man who travels: Union Pacific announces it will serve a 35-cent breakfast and a 75-cent supper on its famed streamliner, M1000, between Kansas City and Salina. The management contends that the actual cost of the meals will be one dollar, and the difference will be charged up to advertising. To keep coffee cups on the table when the flyer hits its 90-mile-an-hour stride, special snubbers have been installed on the diners.

●

Air-Conditioning First Choice

WHAT does the business man want from the railroads? A poll just completed by Coordinator Eastman's office reveals that they want an average rate of 1.91 cents per mile. Seventy-three per cent want air-conditioning; 60 per cent want streamlined trains; 52 per cent voted against tipping; 51 per cent want station parking facilities; 45 per cent want taxi delivery service; 45 per cent want intelligible time tables and train announcers.

●

I. C. Improves Its Service

TRAVELERS who occasionally head south out of Chicago—and there's practically nobody in Chicago who wouldn't like to be heading south this kind of weather—will be glad to know about three new moves on the part of the Illinois Central to improve its service. In the first place, the I. C. has cut down its Florida schedule by three and one-half hours, from forty and one-half hours to thirty-seven hours. Then, it ordered a new streamlined train to operate between St. Louis and Chicago which will accommodate one hundred and fifty passengers and will make the 300-mile trip in something less than five hours. And finally, it has restored the Panama Limited, operated between New Orleans and Chicago on a 20-hour schedule with special air-conditioned equipment.

Pullman Porters Turn Salesmen

FOR the benefit of those patrons who pack in such a hurry that they forget tooth brushes, combs, razor blades and other toilet accessories, that great army of Pullman porters known collectively as "George" recently began stocking and selling a complete line of such merchandise. According to prices posted in the Pullman washrooms, tooth brushes come at 40 cents, combs at 24 cents, shoe laces at 10 cents a pair, safety razors with eight blades at 65 cents, packs of ten blades at 40 cents, collar buttons at 25 cents and aspirin at 25 cents.

●

New Bus Line to California

READERS of AMERICAN BUSINESS who travel by bus, or whose salesmen depend upon bus service to make "bus" towns in their territories, should investigate the new Chicago-Los Angeles service inaugurated by the Burlington Transportation Company. Streamlined busses are used on the run, which is said to be over the shortest and fastest commercial route to the coast. Busses travel via Davenport, Des Moines, Omaha, Cheyenne and Salt Lake City. Busses leave Chicago at 9 a. m. and arrive in Los Angeles at 6 a. m. of the fourth day. The one-way fare is $29.50. Not bad!

●

Non-Stop Chicago to New York Planes

THE old saying that records are made to be broken is certainly proving true in air travel. Last June the Transcontinental and Western Air Lines inaugurated a four hour and twenty-five minute service between Chicago and New York which set the business world agog. The planes on this run made one stop for fuel at Pittsburgh. Now TWA announces it clipped twenty minutes off that schedule, by flying to New York, an airline distance of 725 miles, with no stops.

Greyhound Scrip Books provide additional fare reductions and unlimited stopovers

SEND FOR BOOKLET GIVING FULL DETAILS

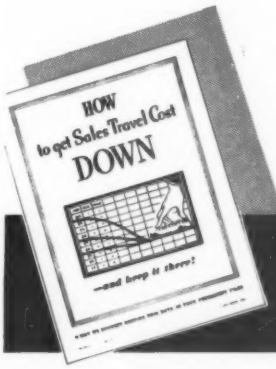
Mail the coupon below for a copy of this booklet, written especially for commercial travelers. It contains full information about Scrip Books.

HERE'S a brand new plan that is going over big with commercial travelers!

Greyhound Scrip Books—now available for the first time—entitle the user to (1) an extra discount on regular fares and (2) unlimited stopover privileges. In other words, you get localized service at long-distance rates.

This plan makes travel by Greyhound practically as convenient as driving—and a lot less effort and expense. You save from 25% to 65% on transportation and still ride first-class. Hours of profitless waiting are eliminated. Baggage is handled for you, promptly and carefully. You simply relax and ride—arriving at your next point of call refreshed and ready for action.

Get full details of this new travel plan by mailing the coupon below.



GREYHOUND Lines

Sales Executives—Send for this booklet with full details

Mail this coupon to General Traffic Manager, Greyhound Management Company, Cleveland, Ohio, for a free copy of special booklet, "How to Get Sales Travel Cost Down." No obligation.

NAME _____

ADDRESS _____

CITY _____ AB-2

Offices Go Streamline

●

Streamlined transcribing machines, water coolers and check writers harmonize with modern office furnishings

●

ONE OF the revolutionary features of the new Dictaphone transcribing machine which was introduced in a series of branch manager meetings throughout the country last month, is its modern streamline design. This effect has been obtained by enclosing all moving parts, with the additional advantage of providing a new degree of dust protection and eliminating a machine appearance. Other features are Nuphonic Reproduction, which is said to provide a new standard of clarity, volume, pleasantness of tone, frequency range and the reduction of a minimum of all surface sounds; an automatic motor switch; new ejector and lock; new volume control, new tone control, new hearing tubing, and other improvements.

●

TO HARMONIZE with this new transcribing machine and other newly-redesigned office equipment such as the Todd Protectograph, the Westinghouse company has just introduced two new streamline water coolers as a companion line to the Westinghouse streamline refrigerators which are creating such a stir in the domestic, apartment house and commercial fields. One is finished in black multi-coat Dulus. The other is more *de luxe*, designed in black micarta and aluminum.

●

WHILE not exactly streamlined, the new Comptometer called the "Supertotalizer" which has just been placed on the market by Felt and Tarrant is equally modern and advanced along other lines. Of its many new features, the most important is the new supertotal register where subtotals are quickly transferred and accumulated. By simply turning a lever, subtotals are transferred and added into the supertotal register for a grand total, thus eliminating recapping. The new machine is introduced as an addition to the regular Comptometer line, which will continue to be manufactured as usual, and comes in three standard sizes—eight, ten and twelve columns.

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Will be a sound measure of economy. The multiple uses to which they are definitely suited permit you to standardize on one particular line and grade for various uses. Esleeck thin papers are quality thin papers. They will fit into your requirements at a minimum of cost, yet will give the maximum results. Send for sample folders of the three leading Esleeck lines; they show actual samples of each finish, weight and color.

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Against These Perils

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2. Lack of Distribution
3. Lack of Dealer Cooperation
4. Failure to Dominate Market

Your Product leaves the shipping room . . . . . *Where to?*

Your Product reaches the retailer's shelf . . . . . *What then?*

Your Product goes into the home . . . . . *How much and when?*

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THE MEDIUM

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● Our permanent staff of ten experienced salesmen covers retail outlets, broadening distribution and placing dealer helps. Each year these men turn over to our advertisers more than *100,000 actual orders.*

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